Manitoba Finance

Ministère des Finances

Annual Report 2008-2009

Rapport annuel 2008-2009

Manitoba

MINISTER OF FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

His Honour the Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Finance for the year ended March 31, 2009.

Respectfully submitted,

Honourable Rosann Wowchuk
Minister of Finance

MINISTER OF FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

Son Honneur l'honorable Philip S. Lee, C.M., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le rapport annuel du ministère des Finances pour l'année financière terminée le 31 mars 2009.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

La ministre des Finances,

Rosann Wowchuk

Rosann Wowchuk

Manitoba

Deputy Minister of Finance
Room 109, Legislative Building, Manitoba, Canada R3C 0V8
www.manitoba.ca

Honourable Rosann Wowchuk
Minister of Finance
103 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Ms Wowchuk:

I have the honour of presenting for your consideration, the Annual Report of Manitoba Finance for the fiscal year ended March 31, 2009.

Respectfully submitted,

Diane Gray
Deputy Minister of Finance

TABLE OF CONTENTS/TABLE DES MATIÈRES

Title	Page
Preface/Préface	8
Statutory Responsibilities	12
Organization Chart	14
Administration and Finance Division	15
Minister's Salary	15
Executive Support	15
Financial and Administrative Services	15
Tax Appeals Commission	16
Independent Administrator	16
Human Resource Services	16
Information Technology Management	18
Insurance and Risk Management	19
Treasury Division	20
Administration	20
Capital Markets	20
Treasury and Banking Operations	22
Public Debt	24
Comptroller Division	25
Comptroller's Office	25
Internal Audit and Consulting Services	25
Disbursements and Accounting	26
Taxation Division	27
Comparative Statement of Actual Revenues	27
Management and Research	28
Taxation Administration	28
Audit	30
Tobacco Interdiction	31
Federal-Provincial Relations and Research Division	33
Intergovernmental Finance	33
Federal-Provincial Relations	34
Economic and Fiscal Analysis	36
Taxation Analysis	36
Net Tax Credit Payments	37
Manitoba Tax Assistance Office	38
Treasury Board Secretariat	39
Fiscal Management and Capital Planning	39
Analytical Units	40
Expenditure Management and Continuous Improvement	40
Co-ordination of Special Operating Agencies	40
Labour Relations	41
Compensation Services	41
Benefits Administration	41
Negotiation Services	42
Contract Administration	42
Francophone Affairs Secretariat	43
Consumer and Corporate Affairs Division	45
Administration and Research	45
Consumers' Bureau	46
Residential Tenancies Branch	50
Financial Institutions Regulation Branch	54
Claimant Adviser Office – Automobile Injury Compensation Appeals	60
Automobile Injury Compensation Appeal Commission	62
Residential Tenancies Commission	63
Capital Investment (Part B)	66
Sustainable Development	66
Financial Information	
Reconciliation Statement	67
Expenditure Summary by Appropriation (Part A)	68
Revenue Summary by Source	75
Five-Year Expenditure and Staffing Summary by Main Appropriation	80
Performance Reporting	81
The Public Interest Disclosure (Whistleblower Protection) Act	83

This document will be available in both English and French on the internet at www.gov.mb.ca/finance after October 30, 2009.
Ce document sera disponible en anglais et en français sur Internet à l'adresse www.gov.mb.ca/finance après le 30 octobre 2009.

PREFACE/PRÉFACE

The overall responsibilities of the Minister and the department include:

preparing the annual Provincial Budget;

management and control of government expenditures and revenues and the evaluation of government programs;

providing policy direction on matters relating to financial management and administration and ensuring appropriate government-wide management practices and systems;

ensuring accountability for the delivery of government programs;

maintaining the core government accounting and financial reporting systems, and the preparation of the annual Public Accounts and other reports which show the financial condition of the entire government reporting entity;

managing daily cash requirements, the public debt, the investment of public money, and of loans and advances made, and guarantees given, by the government;

analysing and appraising the economic situation and prospects in Manitoba in co-operation with other ministries as appropriate;

advising on fiscal and other economic policies and measures including taxation;

advising on policies relating to Federal-Provincial relations;

representing the province in negotiations and participating in meetings related to finance, taxation and economic development;

managing the province's financial assets and liabilities;

insuring government assets and managing risk; and

Les responsabilités globales du ministre et du ministère consistent à :

préparer le budget annuel provincial;

gérer et contrôler les dépenses et les recettes du gouvernement et évaluer les programmes gouvernementaux;

établir des directives en matière de gestion et d'administration financière et garantir des pratiques et des mécanismes de gestion appropriés pour l'ensemble du gouvernement;

garantir l'obligation de rendre compte en ce qui concerne la mise en œuvre des programmes gouvernementaux;

maintenir les systèmes de comptabilité et de rapport de la Province, préparer les comptes publics annuels et les autres rapports qui montrent la situation financière de l'ensemble du périmètre comptable du gouvernement;

gérer les besoins quotidiens de trésorerie, la dette publique, l'investissement de l'argent public, ainsi que les prêts, les avances et les garanties offerts par le gouvernement;

analyser et évaluer la situation économique et les perspectives du Manitoba en collaboration avec les autres ministères, lorsqu'il y a lieu;

donner des conseils sur les politiques et mesures fiscales et économiques, y compris les taxes;

donner des conseils sur les politiques concernant les relations entre le fédéral et la province;

représenter la province lors des négociations et participer aux réunions portant sur les finances, les taxes et le développement économique;

gérer l'actif et le passif de la province;

garantir l'actif du gouvernement et gérer les risques;

fostering business and consumer confidence in the marketplace and administering a regulatory framework that contributes to a competitive Manitoba economy.

Through its efforts, the department manages strategic, financial and operational risks at a corporate level so that the value government obtains for money expended, and for revenues owing and received, is optimized.

The departmental organization structure appears in the chart on page 14. The department is comprised of six operating divisions, as well as the Treasury Board Secretariat and the Francophone Affairs Secretariat.

The Administration and Finance Division provides executive administration, planning and management of departmental policies and programs. The Executive Support area of the division includes the Deputy Minister of Finance and Senior Assistant Deputy Minister. Executive Support advises the Minister on matters related to Finance and is responsible for management and administration of the department. Duties include ensuring that policy objectives and statutory obligations of government are met, and providing strategic planning and budgetary oversight.

The division also co-ordinates the department's financial, administrative, information technology management and human resource functions and includes the Tax Appeals Commission, Independent Administrator and the Insurance and Risk Management branch. The Insurance and Risk Management branch provides centralized insurance and risk management services to government departments and agencies, including most Crown corporations.

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division also assists in the financing of municipalities, schools and hospitals and ensures that such financing is arranged.

favoriser la confiance des entreprises et des consommateurs envers le marché et administrer un cadre législatif qui contribue à la compétitivité de l'économie manitobaine.

Grâce à ses efforts, le ministère gère les risques stratégiques, financiers et d'exploitation au niveau de l'organisation, de façon à obtenir le meilleur rendement possible des dépenses effectuées par le gouvernement et des revenus qu'il possède et perçoit.

La structure de l'organisation du ministère est représentée dans un graphique en page 14. Le ministère est constitué de six divisions opérationnelles, auxquelles il faut ajouter le Secrétariat du Conseil du Trésor et le Secrétariat aux affaires francophones.

La Division de l'administration et des finances s'occupe de la haute administration ainsi que de la planification et de la gestion des politiques et des programmes du ministère. Le cabinet du ministre et le bureau du sous-ministre comprennent le sous-ministre des Finances et le sous-ministre adjoint principal. Le cabinet du ministre et le bureau du sous-ministre conseillent le ministre sur tout ce qui se rapporte au ministère des Finances et ont la charge de la gestion et l'administration de ce ministère. Ils doivent entre autres veiller à l'atteinte des objectifs du gouvernement en matière de politiques et au respect de ses obligations législatives, ainsi qu'à la planification stratégique et au suivi budgétaire.

La Division gère les ressources humaines du ministère et coordonne ses fonctions financières et administratives ainsi que les technologies de l'information. Elle regroupe aussi la Commission d'appel des impôts et des taxes, l'administrateur indépendant ainsi que la Direction de l'assurance et de la gestion des risques. Cette dernière fournit des services centralisés d'assurance et de gestion des risques aux organismes et ministères gouvernementaux, y compris la plupart des sociétés de la Couronne.

La Division de la trésorerie gère et administre les ressources de trésorerie, les programmes d'emprunt, les investissements et le service de la dette du gouvernement. Elle gère et administre également les programmes d'emprunt et les investissements des sociétés de la Couronne et des organismes gouvernementaux. La Division de la trésorerie participe au financement des municipalités, des écoles et des hôpitaux, et elle s'assure que les modalités de ce financement sont déterminées.

The Comptroller Division is responsible for establishing and fostering a corporate comptrollership function across government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements.

The Taxation Division is responsible for efficiently and effectively administering the provincial taxation acts and ensuring proper revenues are collected as provided in the acts. This includes the administration, collection, processing and reporting of taxation revenues, as well as the provision of tax expertise to government, businesses collecting taxes and taxpayers. The division also investigates and audits taxpayers to ensure compliance.

The Federal-Provincial Relations and Research Division provides research and technical and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental relations. The division also administers fiscal arrangements and tax collection agreements with the federal government, administers tax credit programs with the federal government and municipalities, and provides government-wide analytical support to inter-departmental working groups.

The Treasury Board Secretariat provides financial and analytical support and advice to the Minister of Finance and Treasury Board in fulfilling expenditure management responsibilities and provides representation of government and department management in all labour relations and compensation activities within the civil service. The Secretariat is headed by a Deputy Minister who acts as Secretary to Treasury Board.

The Francophone Affairs Secretariat advises the government, and in particular the Minister responsible for French Language Services (FLS), on the development of government services in the French language, and on matters relating to the FLS policy in general.

La Division du contrôleur est chargée d'établir et de développer une fonction de contrôle pour l'ensemble du gouvernement. Celle-ci inclut l'élaboration et la mise en œuvre de systèmes financiers et de gestion qui apportent un soutien en ce qui concerne la prise de décision aux niveaux législatif et gouvernemental, l'efficacité de la prestation des services et les exigences liées à l'obligation de rendre compte. La Division est chargée d'établir et de contrôler les systèmes de débours pour payer les employés et les autres prestataires des fonds gouvernementaux.

La Division des taxes est chargée de mettre en application de façon complète et efficace des lois provinciales sur les taxes et les impôts, et de faire en sorte que les recettes prévues soient perçues conformément aux dispositions des lois. Cela inclut l'administration, la perception, le traitement et la communication des recettes fiscales, ainsi que des conseils prodigués au gouvernement, aux entreprises qui perçoivent des taxes et aux contribuables. La Division effectue aussi des enquêtes et des vérifications auprès des contribuables pour s'assurer que les lois fiscales sont bien respectées.

La Division des relations fédérales-provinciales et de la recherche apporte une aide en terme de recherche, de technique et d'analyse sur les questions économiques et fiscales (tant nationales que provinciales) et sur les relations intergouvernementales. La Division veille à l'application des arrangements fiscaux et des ententes de perception fiscale avec le gouvernement fédéral. Elle administre les programmes de crédits d'impôts avec le gouvernement fédéral et les municipalités. Elle aide aussi les groupes de travail interministériels dans le domaine de l'analyse, pour l'ensemble du gouvernement.

Le Secrétariat du Conseil du Trésor apporte au ministre des Finances et au Conseil du Trésor de l'aide et des conseils en matière de finances et d'analyse, leur permettant ainsi d'exercer leurs responsabilités dans la gestion des dépenses. Le Secrétariat agit en tant que représentant du gouvernement et du ministère dans toutes les relations de travail et toutes les activités de compensation au sein de la fonction publique. L'organisme est placé sous la responsabilité d'un sous-ministre qui agit à titre de secrétaire du Conseil du Trésor.

Le Secrétariat aux affaires francophones conseille le gouvernement, en particulier le ministre responsable des services en langue française, au sujet de l'élaboration et de la mise en œuvre des services gouvernementaux en français, ainsi que sur toutes les questions liées à la politique des services en langue française en général.

The Consumer and Corporate Affairs Division facilitates the resolution of disputes between consumers and businesses, tenants and landlords. The division also administers legislation: for incorporation and registration of businesses; licensing of trust and loan corporations, credit unions and caisses populaires; licensing companies and individuals involved in the sale of securities, real estate, insurance and raising capital; and maintains registries of vital events and of interests in land and personal property.

Conclusion

The divisional text of this report is formatted along the same lines as the appropriation structure for the department that is used in the Estimates of Expenditure of the Province of Manitoba. This formatting will assist with cross-referencing the two documents. Exceptions to this format have been made for the Insurance and Risk Management branch, Net Tax Credit Payments and Public Debt. These areas have been included within the divisions responsible for their administration.

The department also encompasses the Vital Statistics Agency, Manitoba Securities Commission, The Property Registry and the Companies Office. These Special Operating Agencies prepare and present their own annual reports and are not included in this document.

The Department of Finance vision and mission is as follows:

Vision: A Province that has effective financial management practices and fairly regulated businesses and consumer practices to bolster its prosperity for its citizens and influence within a united Canada and a changing world.

Mission: To implement the government's fiscal policies, efficiently and with integrity, to provide the highest quality management of Manitoba's revenue, debt, investments, and consumer and investor protection regimes, and to provide comprehensive and accurate reports on the financial management of government funds and assets. To advance Manitoba's strategic interests outside our borders by: promoting a sustainable, equitable, and united federation.

La Division de la consommation et des corporations facilite la résolution des conflits entre consommateurs et entreprises, ainsi qu'entre locataires et locateurs. La Division veille également à l'application des lois et des règlements qui touchent les aspects suivants: la constitution en corporation et l'enregistrement des entreprises; la délivrance de permis aux corporations de fiducie, aux corporations de prêt, aux credit unions et aux caisses populaires; la délivrance de permis aux compagnies et aux particuliers qui vendent des valeurs mobilières, des biens immobiliers ou des contrats d'assurance, ou qui s'occupent de réunir des fonds. La Division maintient aussi des registres d'état civil et les registres des droits sur des biens réels et personnels.

Conclusion

La division du texte de ce rapport reflète la structure des crédits du ministère utilisée dans le Budget des dépenses du Manitoba. Ce formatage facilite la recherche croisée entre les deux documents. Seuls le paiement net des crédits d'impôt, la Direction de l'assurance et de la gestion des risques, et la dette publique sont formatés autrement. Ces secteurs ont été inclus à l'intérieur des divisions chargées de leur administration.

Le ministère englobe également le Bureau de l'état civil, la Commission des valeurs mobilières du Manitoba, l'Office d'enregistrement des titres et des instruments et l'Office des compagnies. Ces organismes de service spécial préparent et présentent leurs propres rapports annuels et ne sont pas compris dans le présent document.

Voici les énoncés de vision et de mission du ministère des Finances :

Vision : La Province possède des pratiques de gestion financière efficaces ainsi que des pratiques commerciales et des pratiques en matière de consommation réglementées de façon équitable qui lui permettent d'accroître sa prospérité dans l'intérêt de ses résidents et son influence au sein d'un Canada unifié et d'un monde en changement.

Mission : Mettre en œuvre les politiques budgétaires du gouvernement, efficacement et avec intégrité, en vue d'assurer la meilleure gestion possible des recettes, de la dette et des investissements du Manitoba ainsi que des systèmes manitobains de protection des consommateurs et des investisseurs, et de fournir des rapports détaillés et précis sur la gestion financière des fonds et de l'actif du gouvernement. Accroître les intérêts stratégiques du Manitoba par-delà nos frontières en soutenant une fédération durable, équitable et unie.

STATUTORY RESPONSIBILTIES OF THE MINSTER ÒF FINANCE

	Continuing Consolidation Chapter
The Balanced Budget, Fiscal Management and Taxpayer Accountability Act	B 5
The Business Names Registration Act	B 110
The Business Practices Act	B 120
The Title to Certain Lands Act (R.S.M. 1990, c. 259)	-
The Change of Name Act	C 50
The Charities Endorsement Act	C 60
The Commodity Futures Act	C 152
The Condominium Act	C 170
The Consumer Protection Act	C 200
The Cooperatives Act	C 223
The Corporations Act	C 225
The Corporation Capital Tax Act	C 226
The Credit Unions and Caisses Populaires Act	C 301
The Crocus Investment Fund Act (Section 11)	C 308
The Crown Corporations Public Review and Accountability Act	C 336
The Electronic Commerce and Information Act (Part 5)	E 55
The Energy Rate Stabilization Act	E 115
The Manitoba Evidence Act (Parts II and III)	E 150
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F 70
The Fiscal Stabilization Fund Act	-
The Funeral Directors and Embalmers Act	F 195
The Gasoline Tax Act	G 40
The Health and Post Secondary Education Tax Levy Act	H 24
The Professional Home Economists Act	H 70
The Hospital Capital Financing Authority Act	H 125
The Housing and Renewal Corporation Act (clause 44(k))	H 160
The Hudson's Bay Company Land Register Act	H 170
The Income Tax Act (except sections 10.4, 10.5 and 11.8 to 11.17)	I 10
The Insurance Act	I 40
The Insurance Corporations Tax Act	I 50
The Manitoba Investment Pool Authority Act	I 100
The Labour-Sponsored Venture Capital Corporations Act (except Part 2 and sections 16 to 18 as they relate to Part 2)	L 12
The Landlord and Tenant Act	L 70
The Life Leases Act	L 130
The Marriage Act	M 50
The Manitoba Hydro Act	H 190
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Mortgage Act (Part III)	M 200
The Mortgage Dealers Act	M 210
The Motive Fuel Tax Act	M 220
The Municipal Revenue (Grants and Taxation) Act (except Part 2)	M 265

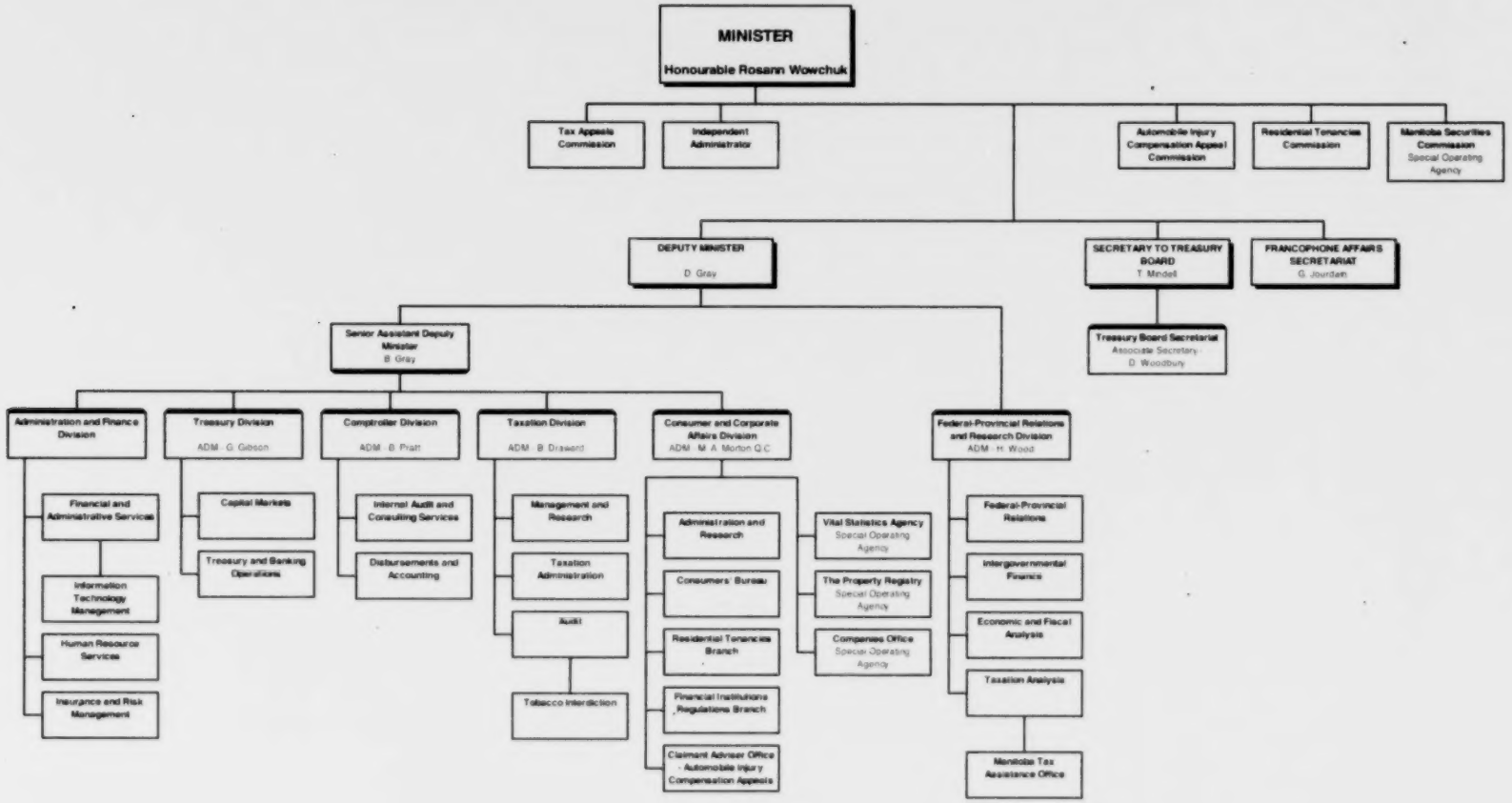
STATUTORY RESPONSIBILITIES OF THE MINISTER OF FINANCE

	Continuing Consolidation Chapter
The Pari-Mutuel Levy Act	P 12
The Partnership Act	P 30
The Personal Investigations Act	P 34
The Personal Property Security Act	P 35
The Property Tax and Insulation Assistance Act (Parts I, III, IV and V.1, and section 1 and Part VI as they relate to subjects covered under those Parts)	P 143
The Manitoba Public Insurance Corporation Act (s. 174.1 to 174.4 (Claimant Adviser Office) and s. 175 to 185 (Automobile Injury Compensation Appeal Commission)	P 215
The Public Interest Disclosure (Whistleblower Protection) Act	P 217
The Public Officers Act	P 230
The Public Sector Compensation Disclosure Act (S.M. 1996, c. 60)	P 265
The Public Servants Insurance Act	P 270
The Real Estate Brokers Act	R 20
The Real Property Act	R 30
The Registry Act	R 50
The Religious Societies' Lands Act	R 70
The Residential Tenancies Act	R 119
The Retail Sales Tax Act	R 130
The Succession Duty Act (S.M. 1988-89, c. 42)	-
The Securities Act	S 50
The Securities Transfer Act	S 60
The Special Survey Act	S 190
The Suitors' Moneys Act	S 220
The Surveys Act (Part I)	S 240
The Tax Administration and Miscellaneous Taxes Act	T 2
The Tax Appeals Commission Act	T 3
The Tobacco Tax Act	T 80
The Trade Practices Inquiry Act	T 110
The Vital Statistics Act	V 60

and:

Bedding, Upholstered and Stuffed Articles Regulation (Manitoba Regulation 78/2004) under The Public Health Act

Manitoba Finance
Organization Chart



ADMINISTRATION AND FINANCE DIVISION

The Administration and Finance Division provides executive administration, planning and management of departmental policies and programs. It includes support services and centralized co-ordination of financial, administrative and human resource functions as well as the Tax Appeals Commission, Independent Administrator and the Insurance and Risk Management branch.

Executive Support

The office of the Minister provides additional compensation to which individuals appointed to the Executive Council are entitled.

The Executive Support unit provides advice to the Minister on all policy and program matters related to the department, co-ordinates and administers the activities of the department to meet government policy objectives and provides administrative support for the offices of the Minister, Deputy Minister and Senior Assistant Deputy Minister.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Minister's Salary	45	1.00	45		
Total Sub-Appropriation	**45**	**1.00**	**45**		

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	717	10.00	766	(49)	
Other Expenditures	212		114	98	1
Total Sub-Appropriation	**929**	**10.00**	**880**	**49**	

1. *Over expenditure is due to office renovations and office lease costs associated with organizational change.*

Financial and Administrative Services

The Financial and Administrative Services branch is responsible for ensuring appropriate management of and accountability for the department's resources. This encompasses: the development and implementation of departmental financial and administrative policies, processes and practices; ensuring compliance with government legislation, policies and procedures; providing accounting and administrative services to the department; and providing analytical and consultative support services to the department's operating divisions.

Branch activities include planning, organizing and evaluating departmental accounting and financial management activities related to financial reporting, expenditure and revenue processing and appropriation control. Specific activities include co-ordinating and supporting the development of the department's annual estimates, quarterly financial forecasts and reports, requests for office accommodation, telecommunication services and government vehicles. The branch also co-ordinates the department's records management program and administers the department's parking program.

1 (c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	466	8.00	563	(97)	
Other Expenditures	74		86	(12)	
Total Sub-Appropriation	**540**	**8.00**	**649**	**(109)**	

Tax Appeals Commission

The *Tax Appeals Commission Act* provides for the appointment of one or more commissioners for the purpose of dealing with appeals filed by taxpayers who disagree with assessments issued by the Taxation Division. The Tax Appeals Commission provides taxpayers with an objective review of a taxpayer's appeal, independent of the taxation officials who issued the assessment.

The activity of the commission and results for 2008/2009 are as follows:

Outstanding appeals as at March 31, 2008	25
Appeals received in 2008/2009	47
	72
Disposition of Appeals in 2008/2009	
Partially Denied	2
Denied	21
Late - Not Accepted	4
Referred to Taxation (not an appeal issue)	0
Upheld	0
Withdrawn	6
	33
Outstanding appeals as at March 31, 2009	39

1 (d) Tax Appeals Commission

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Tax Appeals Commission	20		21	(1)	
Total Sub-Appropriation	**20**		**21**	**(1)**	

Independent Administrator

The Independent Administrator was created in 2006 under *The Labour-Sponsored Venture Capital Corporations Act*. The Independent Administrator reports to the Minister of Finance and monitors provincially registered labour-sponsored funds to ensure compliance with governing legislation.

1 (e) Independent Administrator

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Independent Administrator	32		29	3	
Total Sub-Appropriation	**32**		**29**	**3**	

Human Resource Services

The branch provides human resource services to management and staff of the Department of Finance and it's Special Operating Agencies (SOAs), in addition to the departments of Culture Heritage Tourism and Sport, Science, Technology, Energy and Mines and the Office of the Auditor General. Services are provided in accordance with *The Civil Service Act*, Manitoba Government Employees' Union (MGEU) master agreement, Manitoba labour laws and workplace health and safety legislation. These services include staffing, employment equity, job analysis and classification, employee counselling, labour relations, and pay and benefits administration. These departments also share resources for branch management, renewal planning and diversity program development.

Results:

The branch continues to co-ordinate the implementation of government-wide policies and initiatives.

Four designated groups have been identified as under-represented and include women in non-traditional occupations, Aboriginal people, persons with disabilities and visible minorities. The long-range goal is to have the Manitoba civil service reflect the diversity of the population in all job classifications, taking into account relevant labour force data.

Employment Equity Statistics as at Fiscal Year End (includes Special Operating Agencies)

	2005/2006 Actual (%)	2006/2007 Actual (%)	2007/2008 Actual (%)	2008/2009 Actual (%)
Aboriginal	6.6	8.0	8.7	9.4
Women	61.7	62.6	63.1	65.2
Persons with Disability	4.2	3.9	4.2	5.1
Visible Minority	7.6	7.6	8.2	9.9

Payroll and Benefits

During the course of the year, the branch: maintained payroll records for 854 employees and board members; maintained comprehensive attendance and payroll information on the corporate human resource/payroll system (SAP); provided counselling and information on 94 appointments, 27 retirements, two death benefits, and five long term disability claims to employees and their family members.

Recruitment and Selection

One-hundred and five regular positions were filled through competition and 39 regular positions were filled through various direct appointments (including promotions, transfers, etc.). The department supported the placement of four financial management interns.

Position Classification

Prepared detailed classification analysis on 40 reclassification requests under delegated and non-delegated authority.

Labour Relations

Consulted with departmental management/supervisory personnel, employees and the MGEU in the resolution of numerous labour relations' issues, which included the filing of seven formal grievances.

Occupational Health and Safety

One accident/injury claim was reported over this time period involving no days lost.

1 (f) Human Resource Services

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	576	9.00	631	(55)	
Other Expenditures	47		75	(28)	1
Total Sub-Appropriation	**623**	**9.00**	**706**	**(83)**	

1. *Under expenditure is essentially due to cost recoveries from SOAs for human resource services provided and a rationalization of general operating expenditures.*

Information Technology Management

The Information Technology Management branch has 5.25 staff positions and maximizes the benefits of Manitoba Finance's Information Communication Technology investments. The branch acts as a liaison between the department and the Information Communication Technology (ICT) Services Manitoba, supporting the achievement of the department's business mission and strategic and tactical plans.

Activities include:

- Customer relationship management, business analysis, requirements definition, business case development, project management and enterprise portfolio management;
- Strategic Information Technology (IT) planning, IT governance and control, financial management, project management, contract, license and asset management, and Service Level Agreement (SLA) management;
- Business architecture, data stewardship, information management and providing business technology expertise and consulting services in support of the business needs;
- IT risk identification and protection, and the development, implementation and testing of business continuity and disaster recovery plans;

Results:

- Standardized GenTax interface with Third Party tax payment companies;
- The Residential Tenancies Branch v6.0 system upgrade;
- The completion of the Scoping and Planning phase for the Companies Office System Replacement project;
- The Integrated Registration for Business and the Single Window for Business corporate government projects; and
- Continued the development of the branch including hiring and training of new staff, researching, acquiring and implementing frameworks and tools for IT Governance, Business Analysis, Project Management, Solution Acquisition Management, and Process Optimization.

1 (g) Information Technology Management

Expenditures by Sub-Appropriation	Actual 2008/2009	Estimate 2008/2009		Variance Over/(Under)	Expl. No.
	$(000s)	FTEs	$(000s)	$(000s)	
Salaries and Employee Benefits	1,133	5.25	1,193	(60)	
Other Expenditures	131		132	(1)	
Total Sub-Appropriation	**1,264**	**5.25**	**1,325**	**(61)**	

Insurance and Risk Management

The Manitoba Comptrollership Framework defines risk management as "a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, communicating and acting on risk issues". The Insurance and Risk Management branch promotes central Risk Management Policy for the Government of Manitoba.

Results:

- Assisted departments and agencies in conducting risk assessments of programs and facilities;
- Commercial insurance premiums paid during 2008/2009 fiscal year were $1.51 million for departments and $2.23 million for agencies. This represented an overall decrease of 9.3% compared to the previous year for standard insurance coverage;
- Agency Self-Insurance Fund premiums collected were $4.06 million, a 9.8% decrease from the previous year;
- Departments retained losses, including new reserves and claim payments, in 2008/2009 totalling $2.51 million ($2.30 million property claims, plus $210,000 liability claims), a decrease of 4.2 % from the previous year;
- Costs for independent adjusters were $19,500, an increase of 194% from the previous year;
- 155 new claims were opened and 198 claims were closed;
- Under the Foster Parents' Intentional Damage Compensation Plan, 91 claims were reported in 2008/2009 and settlement payouts totalled $146,000 (19% increase over 2008/2009) plus administrative costs of $20,000, and increase of 33% from the previous year;
- Agencies retained losses, including new reserves and claim payments, in 2008/2009 totalling $4.07 million ($3.84 million property claims, and $230,000 liability claims), a decrease of 45% from the previous year;
- Costs for independent adjusters were $136,000, a decrease of 1% from the previous year; and
- 223 new claims were opened, and 664 claims were closed.

6 Insurance and Risk Management

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	379	5.20	381	(2)	
Other Expenditures	58		71	(13)	
Insurance Premiums	1,515		2,653	(1,138)	1
Less: Recoverable from Other Appropriations	(1,515)		(2,653)	1,138	1
Total Sub-Appropriation	**437**	**5.20**	**452**	**(15)**	

1. *Under expenditure and corresponding reduction in recoveries from other appropriations is essentially due to the reduction in property and liability insurance premiums due to favourable re-insurance markets.*

TREASURY DIVISION

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The Treasury Division assists in the financing of municipalities, schools and hospitals and it is the division's responsibility to ensure that such financing is arranged.

Major changes are continually taking place in the world's economic and financial markets. These changes have a significant impact on both short and long-term management strategies, as well as the day-to-day decisions made by Treasury Division staff.

The division maintains contact with a large number of domestic and foreign financial institutions as well as regulatory and rating agencies to inform them of the fiscal and economic performance of the province and its policies, while at the same time obtaining information about the state of world financial markets and financial products and opportunities available to the province.

Administration

The Administration function has two staff positions for the performance of the following functions:

- general management of the Treasury Division;
- advises Minister, Deputy Minister and Senior Assistant Deputy Minister on all policy and program matters of a financial nature;
- contact with the world financial community;
- provision of management and financial advisory services to government departments, agencies and investment funds; and
- reviews policies, legislation and regulations, and recommends changes where necessary to achieve objectives.

2 (a) Administration

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	126	2.00	128	(2)	
Other Expenditures	93		110	(17)	
Total Sub-Appropriation	**219**	**2.00**	**238**	**(19)**	

Capital Markets

The Capital Markets branch has nine staff positions for the performance of the following major functions:

- managing the long-term borrowing programs of the government, Crown corporations, government agencies and other loan programs;
- developing and maintaining the debt management program of the government;
- administering provincial investment in, and advances to, Crown corporations, government agencies and other loan programs;
- establish strategies and manage sinking funds and other investment accounts of the province, Crown corporations and government agencies aggregating over $7.0 billion;
- managing the government's monetary resources;
- managing the short-term investment and borrowing programs for the government;

- administering trust money deposited with the Minister of Finance by Crown corporations, agencies and departments; and
- advising Crown corporations, government agencies and managers of loan programs regarding policies and procedures related to capital financing.

Borrowing

The borrowing program of the government, its Crown corporations and government agencies aggregated $3.33 billion in 2008/2009. This included $2.43 billion for refinancing maturing debt issues with the balance required for sinking funds and self-sustaining programs, including Manitoba Hydro. The aggregate amount of the Province of Manitoba's direct and guaranteed debt, net of sinking funds, outstanding at March 31, 2009 (using March 31, 2009 foreign exchange rates for conversion of foreign issues) was $19.8 billion ($18.4 billion at March 31, 2008) of which $6.32 billion ($6.38 billion at March 31, 2008) was for general government programs.

The branch is responsible for meeting the ongoing reporting and filing requirements of all markets in which the government has borrowed money. Three major reports and filing documents were prepared for regulatory agencies in Europe, Australia and the United States.

The branch also co-ordinated presentations to the major North American rating agencies which evaluate the creditworthiness of the province.

Debt Management

The Capital Markets branch actively monitors global capital markets and manages the province's outstanding debt through the use of hedging techniques such as currency exchange agreements, floating and fixed interest rate swaps and forward rate agreements.

At March 31, 2009, 13% of direct debt, excluding debt for which Manitoba Hydro is responsible, was floating rate (10% at March 31, 2008) and 100% was payable in Canadian dollars (100% at March 31, 2008).

Long-Term Investments

Loans and Equity Investments

The Capital Markets branch administers the government's non-budgetary investment activities through advances to and/or equity investments in various Crown corporations, government agencies and loan programs. During 2008/2009, $1.7 billion was invested and $1.53 billion of principal was repaid. At March 31, 2009 the aggregate amount of advances and equity investments outstanding was $9.9 billion.

Sinking Funds and Other Long-Term Investments

Sinking funds and other long-term investments of the Province of Manitoba, its Crown corporations and government agencies are managed by the Capital Markets branch. At March 31, 2009, sinking funds related to the direct and guaranteed debt of the province amounted to $3.63 billion, down 13% from $4.17 billion at March 31, 2008. The branch also manages the long-term investments for Manitoba Public Insurance Corporation which totalled $2.0 billion at February 28, 2009. The Capital Markets branch determines the cash flows of these funds for investment purposes.

Money Management

The Capital Markets branch prepares cash flow forecasts detailing the government's anticipated daily receipts and disbursements, including its trust administration activities. Management of daily bank balances and timing of long-term borrowing is determined as a result of these cash flow forecasts.

During 2008/2009, the Money Management program was involved in managing the cash flow for over $25.0 billion of transactions processed through the accounts of the government.

Short-Term Investment and Borrowing

Monitoring and management of the government's cash flow during 2008/2009 resulted in the branch arranging over 2,300 short-term money market transactions aggregating approximately $145.2 billion of investment purchases and $7.85 billion of investment sales. The branch also arranged for the issue of $1.20 billion of promissory notes to finance temporary shortfalls resulting from differences in the timing of government payments and receipts. Interest earned on the short-term investments amounted to approximately $81.2 million while interest paid on the promissory notes issued was approximately $2.07 million.

Trust Administration

Over 100 departments, agencies and Crown corporations deposit surplus funds with the Minister of Finance in interest-bearing trust deposits. These trust funds averaged approximately $1.7 billion in 2008/2009. Approximately 4,400 trust deposit receipts were issued in 2008/2009 and 5,277 payments processed by the branch in respect to these deposits. Interest paid on these trust accounts was in excess of $56.2 million.

Other Responsibilities

The Capital Markets branch also acts in an advisory capacity to Crown corporations and government agencies and makes recommendations respecting each organization's policies and procedures relating to the financing of their programs. All existing and proposed legislation of a financial nature is reviewed to ensure that the objectives of the Crown corporation or government agency are met and that there is legislative consistency among the various entities.

The branch is responsible for operating the Manitoba Hospital Capital Financing Authority.

The branch managed the tenth Manitoba Builder Bonds campaign which raised $35.6 million.

2 (b) **Capital Markets**

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	422	9.00	617	(195)	1
Other Expenditures	56		74	(18)	
Total Sub-Appropriation	**478**	**9.00**	**691**	**(213)**	

1. *Under expenditure is essentially due to position vacancies.*

Treasury and Banking Operations

Risk Management and Banking

The Risk Management and Banking Office has six staff positions for the performance of these major functions:

- monitoring and reporting on the division's market, credit, operational and liquidity risks ensuring safeguards are in place to protect the financial assets and liabilities of the government;
- responsible for the risk oversight function ensuring policies are in place and operating effectively in order to allow the division to meet its strategic objectives while managing risks;
- responsible for the administration and controllership activities related to the province's Risk Management program;
- ongoing development and maintenance of divisional policies and procedures;
- co-ordination, preparation, revision and analysis of Public Debt and Treasury Division expenditure estimates; and
- managing the banking operations of the government.

Risk Management

The branch established a segregated middle office is to efficiently and effectively monitor the division's risk management practices and financial exposures such as Mark to Market, performance measurement, and credit monitoring on $7.0 billion of investments, $20.0 billion of debt, and $30.0 billion in financial risk management contracts.

Banking Operations

The branch advises and establishes procedures regarding the use of banking services and depositing for other departments and some agencies, evaluates requests for new bank accounts and maintains existing accounts. The branch also negotiates contracts for banking and armoured car services for the province.

The branch maintained a central index of approximately 240 accounts representing all Province of Manitoba bank accounts in all financial institutions in the province.

The branch continued to expand the use of direct payment cards and credit cards for the receipt of government revenues. The branch worked with individual departments and Special Operating Agencies, surveying their needs to consider appropriate applications.

The branch continues to partner with other areas of government in the application of emerging technology.

Treasury Services

The Treasury Services office has eight staff positions for the performance of the following major functions:

- service and administer the public debt of the province;
- service and safekeep the short and long-term investments of the province and certain Crown corporations and government agencies;
- service and administer the province's debt and investment program; and
- maintain a Treasury Payments system for the division.

Debt Servicing

The provincial borrowings serviced by the branch was represented by debentures, savings bonds, treasury bills, promissory notes, and C.P.P. debentures, all payable in Canadian dollars, as well as 13 debenture issues payable in U.S. dollars, one debenture issue payable in Swiss Francs, one debenture issue payable in New Zealand dollars, one debenture issue payable in Euros and one debenture issue payable in Japanese Yen. In servicing this debt, the branch administered approximately 313 derivative agreements whereby, among other things, all the Swiss Franc, New Zealand Dollar, Euro and Japanese Yen debt has been swapped into fixed or floating rate Canadian or U.S. dollar liabilities.

Servicing the short-term debt obligations of the province required the administration of over $3.0 billion in treasury bills and $1.2 billion in promissory notes issued throughout the year.

Investment Servicing

The branch services the long-term investments of the Manitoba Public Insurance Corporation and the sinking fund investments of the Province of Manitoba, Manitoba Hydro and The University of Manitoba. The aggregate value of these long-term investments was over $5.0 billion.

In servicing these investments the branch processed purchases aggregating $3.1 billion, sales and maturities of $3.6 billion and gross income of $356.0 million. The branch administered approximately 200 derivative contracts by which investments denominated in foreign currencies have been swapped into Canadian dollars.

Servicing short-term investments for the province required the processing and safekeeping of over 4,500 money market transactions covering purchases, sales and maturities with a total aggregate value of approximately $300.0 billion.

In order to meet its responsibilities in servicing the province's debt and investments, the branch operates a payment system for the division. During 2008/2009, 79 cheques were issued with a total value of $69.0 million and authorized 3,500 transfers totalling $30.0 billion.

2 (c) Treasury and Banking Operations

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	862	14.00	948	(86)	
Other Expenditures	139		103	36	1
Total Sub-Appropriation	**1,001**	**14.00**	**1,051**	**(50)**	

1. *Over expenditure is due to increased costs associated with consulting services related to financial risk management.*

Public Debt (Statutory)

This appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the province.

11 Public Debt (Statutory)

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Interest on:					
the Public Debt of Manitoba and related expenses	1,130,921		1,151,173	(20,252)	
departments' capital assets	95,770		110,700	(14,930)	
Trust and Special Funds	41,959		55,000	(13,041)	
Sub-total	**1,268,650**		**1,316,873**	**(48,223)**	
Less: Interest and Other Charges to be received from:					
Sinking Fund Investments	(140,826)		(153,916)	13,090	
Manitoba Hydro	(531,172)		(515,134)	(16,038)	
Manitoba Housing and Renewal Corporation	(27,649)		(28,282)	633	
Manitoba Agricultural Credit Corporation	(17,472)		(17,774)	302	
Other Government Agencies	(25,289)		(23,647)	(1,642)	
Other Loans and Investments	(119,790)		(118,664)	(1,126)	
Other Appropriations	(182,026)		(196,956)	14,930	
Sub-total	**(1,044,224)**		**(1,054,373)**	**10,149**	
Total Sub-Appropriation	**224,426**		**262,500**	**(38,074)**	1

1. *Net under expenditure is primarily due to higher than forecast investment returns, and lower than expected debt servicing costs and miscellaneous costs, offset by various capital costs.*

COMPTROLLER DIVISION

The division's role is to establish and foster a corporate comptrollership function for the Manitoba government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements. Some of the key components integral to the division's government-wide comptrollership function include:

- designing management processes;
- establishing financial and accounting policies;
- assisting in the coordination of the government's Summary Budget;
- preparing and presenting financial information for internal and external reporting, including the government's Public Accounts on a Summary basis;
- maintaining the central accounts of the province;
- controlling all disbursements and revenue transactions for the Consolidated Fund;
- facilitating the integration and co-ordination of financial and management information; and
- providing advisory and problem solving services to corporate government and line departments.

In carrying out the division's mandate, three branches report to the Provincial Comptroller. These include:

- Comptroller's Office;
- Internal Audit and Consulting Services; and
- Disbursements and Accounting.

Divisional accomplishments are reported under each branch as applicable.

3 (a) Comptroller's Office

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	394	6.00	557	(163)	1
Other Expenditures	92		90	2	
Total Sub-Appropriation	**486**	**6.00**	**647**	**(161)**	

1. *Under expenditure is due to position vacancies.*

Internal Audit and Consulting Services

The Internal Audit and Consulting Services branch provides internal audit services to management throughout government. All government departments have access to internal audit services through annual audit plans or for high-priority matters.

Results:

- Completion of 41 audits during the year (43 in 2007/2008), based on assignments generally greater than 100 hours;
- Annual reports, summarizing the audit activities for the year and the audit plan for the upcoming year, were prepared for each department; and
- Participation in the Institute of Internal Auditors and Information System Audit and Control Association boards and activities.

3 (b) **Internal Audit and Consulting Services**

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	2,058	28.00	2,514	(456)	1
Other Expenditures	266		321	(55)	
Total Sub-Appropriation	**2,324**	**28.00**	**2,835**	**(511)**	

1. *Under expenditure is essentially due to position vacancies.*

Disbursements and Accounting

The role of the Disbursements and Accounting branch is to monitor the decentralized processing as well as controlling and reporting of all receipts to and disbursements from, the Consolidated Fund in accordance with governing legislation and established accounting policies and practices. The branch also maintains a central payroll system for the payment of all government employees as well as an accounts payable vendor system for payments in relation to grants, supplies and services. It also maintains the official accounting records of the government and prepares its financial statements, which include both the Consolidated Fund (core government operations and Special Funds) and the summary financial statements which include all the Crown organizations and government business enterprises that are part of the government reporting entity.

During 2008/2009, the branch performed payroll transactions that included 442,467 direct deposits and 932 payroll cheques, while adhering to all deadlines and all related laws, regulations and policies. The branch also released 426,890 payments for grants, supplies and services, to corporations, firms and other recipients based on documents and supporting information provided by the government's operating departments. Approximately 50,430 of the total were direct deposit payments to vendors. Processing and collection of amounts owing to the government for shared-cost agreements were completed on a timely basis.

Quarterly financial report statements of the government were issued in accordance with established timetables and accounting policy. The annual financial reports, as represented by the Public Accounts, were prepared and released in accordance with *The Financial Administration Act.* The 2007/2008 summary financial statements of the government represented, by Volume 1 of the Public Accounts, and the more detailed financial statements, schedules and reports of the Consolidated Fund, represented by Volumes 2 and 3 of the Public Accounts, were all released September 24, 2008. Volume 4 of the Public Accounts, which represents the detailed financial statements of the funds, Crown organizations, government business enterprises that were within the government reporting entity, were released on March 18, 2009.

The branch continued to provide consultation and financial guidance for appropriate financial processes within the Consolidated Fund.

3 (c) **Disbursements and Accounting**

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	2,588	43.00	2,833	(245)	
Other Expenditures	870		886	(16)	
Less: Recoverable from Other Appropriations	(526)		(510)	(16)	
Total Sub-Appropriation	**2,932**	**43.00**	**3,209**	**(277)**	

TAXATION DIVISION

The Taxation Division is responsible for efficiently and effectively administering the following Provincial Taxation Acts and ensuring revenues are collected as provided in these Acts:

The Corporation Capital Tax Act
The Gasoline Tax Act
The Health and Post Secondary Education Tax Levy Act
The Mining Tax Act
The Motive Fuel Tax Act
The Retail Sales Tax Act
The Tax Administration and Miscellaneous Taxes Act
The Tobacco Tax Act
The continuing phase-out of the *Manitoba Succession Duty and Gift Tax Acts*

Actual revenues for the 2008/2009 fiscal year under the Taxation Acts noted above as well as for the Mining Claim Lease Tax and Environmental Protection Tax, were $2.56 billion which exceeded estimated revenues by $17.27 million.

The major variances from the estimate are as follows:

- Retail Sales Tax revenue exceeded the estimate by $16.08 million due to higher than estimated economic growth, increased activity in the construction industry and increased capital purchases.
- Health and Post Secondary Education Tax Levy revenues exceeded the estimate by $13.10 million due to higher than estimated employment growth and wage settlements.
- Corporation Capital Tax revenues exceeded the estimate by $44.62 million resulting from higher taxable capital reported by corporations.
- Tobacco Tax revenues exceeded the estimate by $19.63 million due to reduced smuggling primarily resulting from a directed enforcement program.
- Mining Tax revenues fell short of the estimate by $82.07 million due to the reduction in world base metal prices, which have significantly reduced mining profits.

Comparative Statement of Actual Revenues ($000s)

For Fiscal Years Ending March 31, 2005 to March 31, 2009

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Corporation Capital Tax	165,851	132,167	156,134	165,779	167,816
Gasoline Tax	154,087	152,466	154,052	152,472	136,063
Levy for Health and Education	287,020	303,055	317,654	341,383	357,501
Succession Duty and Gift Tax	114	3	3	3	3
Mining Claim Lease Tax	71	71	71	64	64
Mining Tax	40,826	39,192	96,369	99,637	45,927
Motive Fuel Tax	80,781	83,539	86,738	95,721	92,716
Retail Sales Tax	1,125,429	1,197,452	1,276,971	1,391,072	1,485,481
Tax Administration and Miscellaneous Taxes Act	74,360	82,971	79,542	81,792	83,853
Tobacco Tax	203,465	191,637	201,576	190,627	189,633
Environmental Protection Tax	3,247	3,296	3,369	3,442	3,483
Total	**2,135,251**	**2,185,849**	**2,372,479**	**2,521,992**	**2,562,540**

Management and Research

The Management and Research branch ensures the effective management and application of provincial taxation statutes. The government's taxation requirements are conveyed by providing tax expertise and direction to the Taxation Administration and Audit branches and providing information and interpretations to taxpayers and businesses that collect the taxes.

The major objectives of this branch are to:

- provide management, leadership and policy assistance on statutes administered by the Taxation Division;
- maintain an effective tax-gathering system that applies the legislation consistently and ensures the collection of the tax revenues imposed by the Acts administered by the Taxation Division;
- implement new tax legislation;
- meet with new vendors and provide information on the application of provincial tax to their business;
- respond accurately and promptly to enquiries from tax collectors and taxpayers;
- develop taxation revenue and expenditure forecasts and analyse variances from budgeted amounts;
- inform the Minister, Deputy Minister and Senior Assistant Deputy Minister of tax revenue options, and provide options to upgrade the effectiveness of legislation and tax administration policy;
- develop and update tax interpretation manuals for the use of Taxation Division staff, and tax bulletins to inform businesses of tax collection and remittance requirements; and
- provide tax management expertise and direction as needed to maximize the effectiveness of the Taxation Administration and Audit branches and to co-ordinate the efforts of all three branches on the implementation of new programs.

Results:

- liaised with Canada Revenue Agency and other jurisdictions on co-operative information exchanges, joint compliance initiatives and other taxation administration and management issues;
- maintained a fair, effective and efficient tax-gathering system, with a sufficient deterrent to tax avoidance or evasion;
- evaluations regarding the implications of administrative and revenue options being considered by the government were developed on a timely basis;
- key information bulletins developed and/or updated and made available on the internet;
- taxpayer queries answered in a timely manner, promoting self-compliance; and
- conducted new vendor calls on approximately 1,200 businesses, promoting self compliance.

4 (a) Management and Research

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	2,044	33.50	2,243	(199)	
Other Expenditures	404		292	112	1
Total Sub-Appropriation	**2,448**	**33.50**	**2,535**	**(87)**	

1. *Over expenditure is essentially due to the relocation costs associated with the Compliance Unit.*

Taxation Administration

The Taxation Administration branch facilitates the effective and efficient administration and collection of taxes from taxpayers, as required by legislation, regulation and policies, and provides information to taxpayers.

The staffing complement for the 2008/2009 fiscal year was 63 staff positions. The branch is production-oriented and provides processing services and information to Manitoba taxpayers and provides the administrative needs of the other two branches of the Taxation Division. The Taxation Administration branch is responsible for ensuring the prompt and accurate processing of $2.5 billion in tax revenues annually from the Taxation Acts administered by the Taxation Division, as well as *The Mining Claim Tax* and *The Environmental Protection Tax.*

The major objectives of this branch are:

- accurate processing of tax revenue received;
- providing an effective and efficient tax gathering system;
- ensuring tax rolls for each statute reflect the most current data available;
- proper reporting of the collection of taxes;
- accurate refunds with minimum delays;
- promote essential tax information to the taxpayer; and
- to effectively reduce outstanding tax arrears and delinquent tax returns.

Results:

Results for the 2008/2009 fiscal year include 54,556 registered vendors, collectors and deputy collectors and 332,387 returns generated per annum.

The Administration branch processed 14,499 refunds (representing $74.77 million) and chargeback's (representing $3.15 million).

As at March 31, 2009, there were service stations operating on 43 reserves with 78 retailers who had entered into an agreement with the province to provide tax-free fuel to First Nations. A total of $7.87 million representing 2,022 claims was disbursed under this program during the 2008/2009 fiscal year for both diesel and gasoline fuel. In addition, 11 northern reserves acquire bulk fuel through collectorship arrangements.

In the 2008/2009 fiscal year, the Manitoba government had established agreements with Indian Bands to provide a tobacco tax exemption for tobacco products sold to status First Nations people on reserves. As at March 31, 2009 there were 57 bands with agreements and four bands on an alternate tax exempt program. A total of $20.15 million representing 1,479 claims was disbursed under these programs during the fiscal year.

Collections

The Collections section is responsible for the collection of all outstanding taxes and delinquent returns, and taxpayer compliance with the statutes administered by the Taxation Division. This is accomplished by telephone contact, enforcement action, and on-site visits.

4 (b) Taxation Administration

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	3,158	63.00	3,265	(107)	
Other Expenditures	3,770		3,082	688	1
Total Sub-Appropriation	**6,928**	**63.00**	**6,347**	**581**	

1. *Over expenditure is due to an increase in the provision for doubtful accounts for taxation receivables.*

AUDIT

The Audit branch ensures that all taxes administered by the Taxation Division are remitted to the province through the promotion of voluntary compliance by taxpayers (including all collectors and registrants).

The Audit branch is structured into four operational units:

- **Audit** is responsible for conducting audits of taxpayers under the taxation statutes administered by the Taxation Division.

- **Audit Review** is responsible for the quality review of audit files, workload development, file selection, taxpayer appeals and the development of audit policies and procedures.

- **Investigations** is responsible for gathering evidence, the investigation of violations and the laying of charges under the taxation statutes administered by the Taxation Division.

- **Westman Regional Office** provides a rural perspective to tax policy development and operational programs, responsibility for all audit functions as well as investigations in Western Manitoba.

The major objectives of this branch are to:

- develop an efficient and effective audit program focused on high risk areas and throughout the cross-section of industries;
- develop an efficient and effective investigation program where violations under the taxation statutes are detected;
- provide accurate information in a timely manner to businesses relating to tax interpretation of the taxation statutes; and
- develop branch policies and procedures that ensure fair and consistent tax application to all businesses.

Activities undertaken by the branch during the year include the following:

- conducted audits to ensure proper remittance of taxes and promote voluntary compliance by taxpayers;
- issued policies and procedures to staff to assist in the performance of audits and investigations;
- participated with Canada Revenue Agency, Canada Border Services Agency and other provinces to develop co-operation and implement exchange of information on audits and investigations;
- conducted audits and reviews of the fuel and tobacco tax exemption systems for First Nations people;
- as part of the Canadian Fuel Tax Council participated in the steering committee and sub-committees that are working on common definitions, forms, administration, auditor training courses, e-filing standards, and streamlining legislation, etc. for the project;
- Worked with other jurisdictions to share best practices, promote communication of ideas and propose alternative solutions to common problems related to the administration, audit and investigation regarding Tobacco Tax, Retail Sales Tax, Gasoline Tax, Motive Fuel Tax and IFTA;
- continued participation in the integrated taxation system project to improve efficiency and effectiveness of the audit and audit selection managers;
- conducted fuel sampling in the Westman and other rural areas to detect the improper use of tax exempt dyed fuel;
- conducted audits of taxpayers using computer-assisted audit techniques and software;
- continued conducting International Fuel Tax Agreement (IFTA) audits and roadside enforcement of IFTA provisions;
- conducted International Registration Program (IRP) and Pro-Rate Vehicle Tax (PVT) audits;
- participated as an active member of the Law Enforcement Committee for IFTA which is endeavouring to work towards having all member jurisdictions create common enforcement practices and to develop a standard best practices approach to roadside enforcement of the IFTA requirements;
- increased awareness of tax evasion and the underground economy with managers of investigative bodies of provincial government and Crown corporations by arranging meetings to exchange information;

- participated in various conferences with other provincial, federal and state taxing jurisdictions for the purpose of exchanging audit and investigative information; and
- participated in joint force investigations with Federal agencies and other provinces regarding Tobacco Tax, Retail Sales Tax, Gasoline Tax, Motive Fuel Tax and IFTA.

Results:

Audit	
Completed refunds	538
Completed files	1,415
Audit recoveries	$ 30,893,057
Investigations	
Completed files	172
Charges	160
Convictions	69
Fines	$ 33,871
Recoveries	$ 672,455
Audit Review	
Audit files reviewed	564
Reviewed Notices of Assessments	69
Appeals reviewed (In progress 45; Completed 17)	62

4 (c) Audit

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	6,162	90.00	6,838	(676)	
Other Expenditures	960		1,135	(175)	1
Total Sub-Appropriation	**7,122**	**90.00**	**7,973**	**(851)**	

1. *Under expenditure is essentially due to lower operating costs resulting from position vacancies.*

Tobacco Interdiction

The Tobacco Interdiction program protects the revenues of the government under *The Tobacco Tax Act*. This program was implemented to counter against the increased risk of smuggling of lower taxed tobacco products from Eastern Canada to Manitoba and the Western provinces.

The Tobacco Interdiction program is made up of a combination of staff seconded from the Investigations group, Audit branch and the hiring of investigators and auditors on a casual/term basis specifically for this program.

The major objectives of this program are to:

- maintain an effective tax gathering system through the presence of an enforcement profile that will promote voluntary compliance by taxpayers and tax collectors;
- develop audit and investigation programs that detect tax evaders;
- prosecute tax evaders; and
- provide information to taxpayers on proper tax collection and remittance requirements.

Activities undertaken under this program during the year included the following:

- participated in investigations with the RCMP, Canada Revenue Agency, Canada Border Services Agency (CBSA) and Winnipeg Police Service of contraband tobacco violations;
- liaised with counterparts in the departments of Finance in Saskatchewan, Alberta and British Columbia on a regular basis to co-ordinate the investigation and prosecution of the smuggling of contraband tobacco into Western Canada;
- liaised with counterparts in the departments of Finance in Eastern Canada to solicit their assistance and co-operation in the Tobacco Interdiction program;
- developed policies, programs, procedures and information for taxpayers which result in the most efficient and effective utilization of resources to achieve compliance;
- recommended related policy change options and possible amendments to legislation, evaluated the implication of changes being considered by the government and implemented the changes as directed;
- conducted audits of tax collectors and taxpayers relating to the smuggling of tobacco products and other violations of the Act;
- prosecuted tax evaders;
- liaised with law enforcement agencies, including Winnipeg Police Service, CBSA, RCMP, Ontario Provincial Police, Brandon Police Service, Kenora Police Force, Department of Homeland Security - U.S. Customs and Border Protection, Department of Justice - U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives and European Commission Anti-Fraud Office – Task Group Cigarettes;
- liaised with the Winnipeg Police Service Airport Detachment to assist in detection and prosecution of contraband shipments of tobacco by air;
- maintained a program of interaction with the transportation industry;
- continued to co-operate with other provincial agencies and Crown corporations in assisting investigations into tobacco smuggling;
- participated in various meetings and conferences with other provincial, federal and state taxing jurisdictions for the purpose of exchanging information and best practices, including attending U.S./Canada tobacco diversion workshop hosted by CRA and the U.S. Department of Homeland Security;
- responded to media requests for information on the interdiction program.

Results:

Tobacco Interdiction

Completed files		124
Charges		33
Convictions		15
Fines	$	13,345
Recoveries	$	391,627

4 (d) Tobacco Interdiction

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	317	10.00	744	(427)	*1*
Other Expenditures	173		252	(79)	*2*
Total Sub-Appropriation	**490**	**10.00**	**996**	**(506)**	

1. *Under expenditure is due to reduced overtime costs and position vacancies.*
2. *Under expenditure is due to lower operating costs resulting from position vacancies.*

FEDERAL-PROVINCIAL RELATIONS AND RESEARCH DIVISION

The Federal-Provincial Relations and Research Division is comprised of four branches, which make up the Economic and Federal-Provincial Research Unit:

- Intergovernmental Finance branch;
- Federal-Provincial Relations branch;
- Economic and Fiscal Analysis branch; and
- Taxation Analysis branch, which is also responsible for the Manitoba Tax Assistance Office.

The major areas of responsibility include intergovernmental fiscal and policy relations, economic and fiscal analysis, tax policy formulation and management of tax credit programs. The division's senior staff consists of an Assistant Deputy Minister, the directors of the four branches, the assistant director of the Taxation Analysis branch and the Director of Communications and Strategic Initiatives.

The division's primary functions are:

- provide research, technical and analytical support in respect of national and provincial fiscal and economic matters and strategic intergovernmental relations including cost-shared programs;
- administer fiscal arrangements and tax collection agreements with the federal government and to administer tax credit programs with the federal government and municipalities;
- provide advice and policy analysis with respect to a broad range of economic and fiscal matters including revenue and expenditure policies, and advising on policies relating to federal-provincial fiscal and economic relations;
- co-ordinate the development during each budget process and throughout the year of the province's medium-term revenue projection;
- co-ordinate the fiscal and taxation analysis necessary for the Minister and Cabinet to develop the Budget;
- co-ordinate the production of the Budget and related documents;
- support provincial policy, and advance provincial fiscal interests while representing the province in various meetings and committees;
- serve as the principal administrative unit of the province for *The Income Tax Act* (Manitoba), *The Federal-Provincial Fiscal Arrangements Act* and the Tax Collection Agreement with the federal government;
- administer tax credit programs with the federal government and municipalities;
- manage and administer tax credit programs and other programs related to income tax and property tax including distribution of benefits, providing the public with information and assistance, and co-administering and monitoring claims through the income tax system.

Intergovernmental Finance

The Intergovernmental Finance branch includes five staff positions.

The branch director and staff undertake ongoing monitoring and analysis of federal transfer payments for major social programs including health care, post-secondary education and social services, as well as the Equalization Program and other transfer programs, and some aspects of provincial/local government fiscal arrangements. The branch also prepares projections of federal transfer payments as input into the province's medium-term revenue projections.

Total provincial revenues governed by federal-provincial transfer arrangements and administered by the branch in 2008/2009 included: $2.06 billion in Equalization payments; $1.26 billion in cash payments for major health and social programs; and $2.4 million Government of Canada Subsidy.

The branch director and staff represent the province at federal-provincial-territorial and provincial-territorial meetings and on working groups on fiscal arrangements and the Canada Pension Plan (CPP), in support of Manitoba's responsibilities as a joint steward of the CPP. In addition, the branch also provides support to other departments and participates in various intergovernmental working groups.

Federal-Provincial Relations

The Federal-Provincial Relations branch provides strategic policy advice, analysis and support in managing Manitoba's relationships with the federal government and other provincial and territorial (PT) governments on matters of intergovernmental significance. The branch promotes Manitoba's interests in the development of interprovincial/territorial positions and policies by working with other provinces and territories, and to the federal government in the development and implementation of its national policies.

A major dimension of Federal-Provincial Relations' role is to ensure a consistent corporate strategy and position regarding Manitoba's priorities for action in the intergovernmental arena. The branch also ensures that members of the Government of Manitoba have adequate and timely information on the implications resulting from national and regional trends and the implementation of programs and policies by other PT governments and by the federal government.

Principal Activities in 2008/2009

Activities included:

- Provided comprehensive strategic briefing materials in support of meetings of First Ministers, the Council of the Federation, the Western Premiers' Conference, and a range of bilateral and multilateral meetings between the Premier and the Prime Minister, Federal Ministers, and other Premiers.
- Implemented Cabinet's direction in dealing with Manitoba's strategic federal-provincial priorities.
- Collaborated with other provinces and territories to support the work of Premiers through the Council of the Federation and the Western Premiers' Conference.
- Represented Manitoba at federal-provincial and interprovincial Deputy Ministers' and senior officials' meetings and on a number of committees that prepare for major intergovernmental conferences.
- Reviewed and evaluated policy and program initiatives as they relate to intergovernmental relations and acted as a liaison in providing strategic policy advice on relations with the federal government and other provinces and territories.
- Coordinated interdepartmental activities on intergovernmental policies and issues.

Council of the Federation (COF) (organization of Canada's Premiers)		
July 2008	**Issue**	**Results**
		Premiers' discussed solutions regarding:
	Labour Mobility	• mobility of certified occupations;
	Internal Trade	• Agreement on Internal Trade amendments;
	External Trade	• support for: the launch of Canada-European Union (EU) trade negotiations; exploration of trade expansion into Asian markets; and a COF mission to China in November 2008;
	Environment	• energy efficiency and conservation for communities and industry.
Oct. 2008 **(Economy theme)**		Premiers' discussed ways to:
	Economy	• maintain current responsible approaches to public finances; • encourage federal, provincial and territorial ministers to work together to prepare for a First Ministers' Meeting to address the current fiscal crisis and further protect Canada's financial sector;
	Stimulus	• accelerate investments in public infrastructure, innovation and skills development;
	Labour	• intensify efforts to ensure full labour mobility;
	Internal Trade	• eliminate trade barriers between provinces and territories;
	External Trade	• expand trade into new markets like Asia and the EU.

First Ministers' Meetings		
	Issue	**Results**
Nov. 10, 2008	**Economy** (in advance of the G20 Summit on the Economy in Washington, D.C.)	Premiers and the Prime Minister discussed ways to: • address the impacts of the economic crisis, including the importance of accelerating infrastructure spending in order to help Canada's economy improve; • protect retirement income; • support specific sectors; and • ensure the stability of financial institutions.
January 16, 2009	**Economy** (lead up to the 2009 federal budget)	Premiers and the Prime Minister discussed: • accelerating infrastructure investments; • streamlining regulatory and environmental approval processes; • labour market supports; • financial markets; and • internal trade.
	Internal trade	• signed a Declaration Regarding the Agreement on Internal Trade, which included the amended labour mobility and dispute resolution chapters as Premiers committed to conclude at their 2008 annual Summer Meeting;
	Meeting with National Aboriginal Leaders	• discussed challenges facing Aboriginal people and communities during the economic crisis.

Economic and Fiscal Analysis

The Economic and Fiscal Analysis branch includes four staff positions. The branch's mandate is to provide economic and fiscal analysis of national and regional matters for the Minister and Cabinet, as well as for use by various departments in policy development and estimates preparation.

Activities:

- monitors and reviews a wide variety of private sector and public sector analyses and forecasts;
- maintains an extensive information base;
- represents the province on federal-provincial committees and working groups;
- provides inter-departmental co-ordination of economic analysis through the Inter-departmental Economic Outlook Group;
- co-ordinates and develops components of the province's medium-term revenue projections;
- monitors the federal government's fiscal situation and prospects;
- prepares major components of provincial borrowing prospectuses and securities registration with regard to economic and financial data;
- represents the province in "due diligence" examinations of borrowing documents;
- prepares major presentations and publications for financial institutions and credit-rating agencies;
- responds to numerous requests for information on the Manitoba economic and fiscal situation from Canadian and international investment analysts as well as from companies, organizations and individuals in Manitoba.

Taxation Analysis

The Taxation Analysis branch has eight staff positions with a further seven staff positions in the Manitoba Tax Assistance Office.

The branch maintains databases and analytic models, and develops recommendations for the Minister and Cabinet for taxation policy and for specific tax measures and tax credits. Tax measures are implemented through provincial Budgets, legislation and agreements, the most significant being the Canada-Manitoba Tax Collection Agreement respecting income taxation.

The branch is responsible for analyzing the fiscal and economic effects of tax measures and proposals. This work entails participation in the relevant federal-provincial working groups and representing the province at various federal-provincial meetings.

Total provincial revenue from income taxes administered by the branch in 2008/2009 amounted to $2,455.1 million in individual income tax and $386.1 million in corporation income tax.

The director and assistant director supervises the Manitoba Tax Assistance Office and the tax and related programs administered by that office. These programs benefit approximately 500,000 Manitobans annually. The Manitoba Tax Assistance Office also provides information and assistance to Manitobans in completing the provincial portion of their income tax returns as well as handling general inquiries respecting Manitoba income tax and tax credits.

Revenue from Federal-Provincial Fiscal Arrangements ($000s)
For Fiscal Years Ending March 31, 2005 to March 31, 2009

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Income Taxes					
Individual Income Tax *(1)*	1,845,099	1,948,854	2,130,493	2,284,669	2,455,117
Corporation Income Tax *(1)*	401,925	373,569	310,587	366,818	386,131
Subtotal	2,247,024	2,322,423	2,441,080	2,651,487	2,841,248
Federal Transfers					
Equalization	1,699,484	1,601,018	1,709,430	1,825,796	2,063,394
Canada Health Transfer (CHT) *(2)*	684,767	733,313	773,090	816,684	875,409
Canada Social Transfer (CST) *(2)*	307,548	324,552	335,421	347,463	387,531
Bill C-48	-	48,900	48,911	-	-
Government of Canada Subsidy	2,284	2,284	2,284	2,284	2,298
Community Development Trust	-	-	-	41,880	-
Subtotal	2,694,083	2,710,067	2,869,136	3,034,107	3,328,632
Total from Fiscal Arrangements	4,941,107	5,032,490	5,310,216	5,685,594	6,169,880

(1) *Adjustments have been made to income tax revenues for 2004/2005 in regard to the Provincial Municipal Tax Sharing payments to be consistent with the presentation of the Building Manitoba Fund in 2005/2006 and subsequent years.*

(2) *2004/2005 revenues have been restated for comparative purposes to reflect the decision of the federal government to split the CHST into separate transfers for health (CHT) and other social programs (CST) in 2005/2006 and subsequent years.*

Net Tax Credit Payments

10 Net Tax Credit Payments

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Education Property Tax Credit	246,355		251,000	(4,645)	
Personal Tax Credit	37,956		43,000	(5,044)	
School Tax Assistance for Tenants and Homeowners (55+)	1,351		1,975	(624)	
Political Contribution Tax Credit	2,364		1,050	1,314	
Riparian Property Tax Reduction	22		75	(53)	
Federal Administration Fee	993		984	9	
Less: Recoverable from Education, Citizenship and Youth:					
Education Property Tax Credit	(246,355)		(251,000)	4,645	
School Tax Assistance for Tenants and Homeowners (55+)	(1,351)		(1,975)	624	
Total Sub-Appropriation	**41,335**		**45,109**	**(3,774)**	*1*

1. Net under expenditure is primarily due to stronger than anticipated growth in income in 2008.

5 (a) **Economic and Federal-Provincial Research**

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	2,365	26.25	2,286	79	
Other Expenditures	1,553		1,418	135	
Total Sub-Appropriation	**3,918**	**26.25**	**3,704**	**214**	

Manitoba Tax Assistance Office

The major functions fulfilled by the Manitoba Tax Assistance Office include:

- informing and assisting taxpayers on the proper application of Manitoba Income Tax and tax credit programs for residents of Manitoba;
- administering the Manitoba Education Property Tax Credit Advance program;
- enforcing the provisions of the legislation governing the Manitoba Income Tax and Manitoba tax credit programs, including recovery of ineligible claims;
- administering Tax Rebate Discounting;
- administering the Riparian Tax Credit program;
- administering components of the Co-op Education and Apprenticeship Tax Credit program;
- administering components of the Tuition Fee Income Tax Rebate program;
- administering components of the Primary Caregiver Tax Credit program; and
- in co-operation with the Canada Revenue Agency and a variety of provincial departments, managing or overseeing the administration of a variety of programs, including the Green Energy Equipment Tax Credit, Book Publishing Tax Credit and the Community Economic Development and Investment Tax Credits;
- recovering ineligible amounts claimed under Manitoba Income Tax and Tax Credit legislation.

5 (b) **Manitoba Tax Assistance Office**

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	352	7.00	392	(40)	
Other Expenditures	96		133	(37)	1
Total Sub-Appropriation	**448**	**7.00**	**525**	**(77)**	

1. *Under expenditure is due to lower than anticipated advertising and general administrative costs.*

TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support and advice to the Minister of Finance and Treasury Board in fulfilling expenditure management responsibilities. The Secretariat is headed by a Deputy Minister who acts as Secretary to the Board.

The major functions fulfilled by the Secretariat include:

- monitoring, analyzing, and reporting on the financial position of the province;
- planning and co-ordinating the review and preparation of the annual estimates and participating in the development of the annual budget;
- providing analyses in support of the efficient and effective utilization/allocation of the province's financial and human resources, both in the context of the annual estimates process and on an ongoing basis throughout the year;
- undertaking reviews of specific program areas;
- co-ordinating expenditure management, continuous improvement, planning and program performance measurement processes for government;
- developing and communicating policies, procedures and guidelines on administrative matters, and maintaining the General Manual of Administration;
- providing guidance to departments in the identification of potential special operating agency (SOA) candidates and in the development of proposals and business plans as well as monitoring and reporting on the operation of special operating agencies;
- representing the government and department management in all labour relations and compensation activities within the civil service as well as providing specialized consulting services respecting labour relations and compensation matters within the public sector;
- providing central administrative services to government-wide employee benefit and insurance programs in accordance with collective agreements, legislation and human resource policies.

The 2008/2009 Estimates of Expenditure and Revenue were tabled in the Legislature with the 2008 Manitoba Budget on April 9, 2008.

Fiscal Management and Capital Planning

Fiscal Management and Capital Planning (FMCP) is responsible for developing fiscal strategy and planning options for the Government of Manitoba. This is accomplished through the maintenance of an effective budget/planning cycle within an overall fiscal framework. FMCP develops, implements and co-ordinates the annual estimates process for core government expenditure and revenue, and finalizes the Estimates of Expenditure and Revenue for tabling in the Legislature. FMCP, in co-ordination with the Comptroller's Division, also works with organizations included in the Government Reporting Entity to prepare the Government of Manitoba's Summary Budget and continued transition to Summary Financial Reports for the public.

FMCP monitors the fiscal status of the core government and prepares reports, ensuring that the government has accurate, timely and relevant information on its fiscal position. Financial and operational information is provided to senior management of the province to facilitate sound financial management of government programs. FMCP also prepares money bills and support information for tabling in the Legislature, and develops and implements such processes that are necessary to maintain the orderly business of government.

In addition, FMCP is responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process related to capital projects and capital expenditures, and for the continued development and support of a multi-year capital planning process. As well, FMCP provides guidance to departments in identifying potential Special Operating Agency candidates, developing proposals and monitoring financial performance.

Analytical Units

The three analytical units are responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process, with respect to program, policy and financial direction to departments. The units monitor, analyze and advise on departmental activities, ensuring the effective, efficient and consistent delivery of government policies and priorities. In addition, the analytical units provide support and assistance to the Fiscal Planning Office.

The units are major participants in the development of the annual estimates of expenditure and revenue. They provide advice and guidance to assigned departments in the preparation of their estimates, analyze departmental estimates and evaluate whether they meet fiscal guidelines, and evaluate alternative strategies. They provide advice and recommendations to Treasury Board on program, policy and resource allocation issues, and they communicate and review Treasury Board decisions with assigned departments.

The analytical units provide ongoing advice and analysis to Treasury Board by reviewing departmental Treasury Board Submissions and providing assessments and recommendations. Other activities include participating in departmental reviews and studies; providing advice to departments on Treasury Board guidelines and procedures, as well as on various policy and financial issues; monitoring the program and financial status of departments; analyzing and reporting on departmental financial information to ensure compliance with government policy and financial objectives; and working with senior departmental personnel to ensure that the necessary communication between Treasury Board and departments is maintained.

Expenditure Management and Continuous Improvement

This unit is responsible for co-ordinating a range of activities, including co-ordinating strategic planning component of the annual estimates process, conducting program reviews of selected program areas, co-ordinating performance reporting activities and other internal service improvement projects.

The unit also includes the Administrative Policy Office which develops, interprets and evaluates government-wide administrative policies, which are communicated in the General Manual of Administration (GMA).

Results:

A document entitled "Moving Forward: Manitoba's Priorities for the Future" was created to assist departments and major Crown agencies with their strategic planning and a "Performance Report Update" was prepared for publication in the "2007/08 Financial Management Strategy: Report on Outcomes". Training sessions were also provided for departmental staff on the subject of performance measurement and reporting. The performance measures in departmental annual reports continued to be co-ordinated by the unit.

Co-ordination of Special Operating Agencies

The *Special Operating Agencies Financing Authority Act* received Royal Assent on June 24, 1992 and provides for the establishment of special operating agencies (SOAs). Special operating agencies are service operations, which are granted more direct responsibility for their operating results and have increased management flexibility to encourage entrepreneurship, enhance service, and achieve cost-savings for government. The Co-ordinator of Special Operating Agencies is responsible for providing guidance to departments in identifying potential special operating agency candidates and in developing proposals and business plans that are reviewed within the annual estimates process.

In 1992/1993, Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. In 2008/2009, the complement of seventeen special operating agencies achieved over $170 million in revenue for government. Special operating agencies continue to provide cost effective services for government and other clients. Further information on the operation of the special operating agencies is provided in the Annual Reports for the Special Operating Agencies Financing Authority and for each agency.

Labour Relations

Compensation Services

Compensation Services provides a complete range of services related to administration of the province's job classification program, employee benefits programs and compensation programs to support the collective bargaining process and human resource policy development. Service is provided to Treasury Board, Government negotiators, human resource practitioners and department managers. Service is also provided to external public sector organizations requiring advice, information or interpretation of civil service compensation policies and practices. The branch represents government in negotiations with employee representatives to amend the Civil Service Superannuation Plan, the Public Service Group Insurance Plan and the Teachers Pension Plan.

Results:

Support in the form of research and costing was provided to negotiation services related to the implementation of various collective agreements.

In February 2009, classification reviews were consolidated within the Compensation Services branch in order to improve responsiveness, consistency and transparency of the classification and reclassification processes. New procedures, processes, and policies were developed to reflect this consolidation.

A total of 2,880 classification assessments were completed, including implementation of nine new or revised classification series.

Compensation and benefits information management systems were maintained and expanded, and information exchanged with a variety of local and national employers. Compensation Services conducted 13 surveys and responded to 92 surveys from other employers during 2008/2009.

A number of policies were updated to reflect current compensation policy and practice within the organization.

Classification delegation audits were completed for scheduled government departments and classification training was presented to human resource practitioners and new members of the Civil Service Commission Board.

Benefits Administration

The Benefits Administration branch is responsible for providing central administrative services for government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and human resources policies. Benefits programs include the Ambulance & Hospital Semi-Private (AHSP), Dental, Vision, Prescription Drugs, Extended Health, Travel Health, Long-Term Disability (LTD) plans and Health Spending Account. The branch also provides advice to government departments and other public sector organizations with respect to the application of benefits programs.

Workers Compensation Board (WCB) costs from government departments and agencies are managed through the Benefits Administration branch. Financial information for statutory benefit and insurance programs including Civil Service Superannuation Plan, Canada Pension Plan, Group Life Insurance Plan, Employment Insurance, and the Levy for Health and Post-Secondary Education is compiled through the branch. Additionally, the branch is responsible for co-ordinating the budgeting and financial reporting activities related to employee pensions, benefits and other salary related costs.

Results:

The branch provided administrative support and disability management services for LTD plan recipients and monitored accommodation issues related to redeployment of employees on medical grounds. During the 2008/2009 fiscal year 37 employees who had been on LTD were returned to work. As of March 31, 2009, 268 individuals were in receipt of LTD benefits.

Negotiation Services

Negotiation Services provides a complete range of labour relations services to government by representing management in labour relations activities involving both unionized and non-unionized employees. These activities include negotiation of collective agreements with various bargaining agents representing government employees, administration of collective agreements, and providing labour relations assistance respecting non-union employees. The branch also provides, upon request, labour relations services to Crown corporations and government-funded agencies.

Results:

The branch represented the province in the negotiation and renewal of one Family Services collective agreement representing Rural Direct Service Workers and Child Development Workers. This collective agreement was represented by the Manitoba Government and General Employees Union (MGEU). A second collective agreement was concluded with Child and Family Services through arbitration. These support workers were represented by the Canadian Union of Public Employees (CUPE). The branch is involved in negotiating a transition agreement to incorporate Manitoba Housing Authority employees into the Civil Service. There are three collective agreements in place, two involving the MGEU and the third with the International Union of Operating Engineers (IUOE).

Contract Administration

Negotiation Services provides support and guidance to management concerning the implementation and interpretation of collective agreements. Services include providing counsel on proposed actions concerning labour relations issues in the workplace. As part of this responsibility, the branch co-ordinates grievance and arbitration activities on behalf of government and conducts training sessions for managers and human resources staff regarding their rights and responsibilities in managing under a collective agreement.

Results:

The branch successfully represented the government and a number of Crown agencies before boards of arbitration concerning several rights issues involving both contract interpretation as well as discipline and dismissal matters. In addition, staff managed the interests of the province before the Manitoba Human Rights Commission on a number of human rights cases and before the Manitoba Labour Board on a number of jurisdictional issues. Staff continued to conduct a series of training sessions for line managers and human resource professionals on the topics of "Grievance and Discipline Handling" and "Managing Under a Collective Agreement".

7(a) Treasury Board Secretariat

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	5,106	64.00	5,589	(483)	
Other Expenditures	1,253		841	412	1
Total Sub-Appropriation	**6,359**	**64.00**	**6,430**	**(71)**	

1. *Over expenditure is primarily due to in-year corporate initiatives.*

Francophone Affairs Secretariat

The Francophone Affairs Secretariat advises the Government of Manitoba and the Minister responsible for French Language Services (FLS) in particular, on the development of government services in the French language and on matters relating to the FLS policy in general.

The Secretariat guides, monitors, seeks and facilitates the implementation of the Government of Manitoba's FLS policy in a manner consistent with the concept of *active offer* and makes recommendations to that effect. The Secretariat's mandate applies to all administrative bodies covered by the FLS policy.

The Secretariat provides assistance and direction to the administrative bodies covered by the Government of Manitoba's FLS policy and serves as a liaison between the government and Francophone organizations in the province. Since April 1, 2008, the Secretariat is administratively attached to the Treasury Board Secretariat.

Results:

- Co-ordinated, for Manitoba, the inclusion of projects to be funded in 2008/2009 under the Canada-Manitoba Agreement on French Language Services (CMAFLS), a cost-sharing agreement whereby Manitoba's $1.4 Million contribution is matched by the federal government, and undertook negotiations with the federal Department of Canadian Heritage to renew the Agreement for the period of 2009-2013;
- Signed the Canada-Manitoba Agreement Regarding the Construction Project of Cercle Molière's New Theatre. Canada agreed to disburse an equivalent amount to Manitoba's contribution to a maximum of $1.8 million;
- Facilitated a grant of $300,000 over three years to La Maison Gabrielle-Roy and the Circuit littéraire de Gabrielle-Roy, cost-shared equally under the CMAFLS;
- Manitoba contributed a total of $50,000 divided equally between projects funded under the FLS component of the Memorandum of Understanding on Interprovincial Co-operation between the Governments of Manitoba and New Brunswick and the Agreement for Co-operation and Exchange between the Government of Quebec and Manitoba. This allowed a number of Franco-Manitoban organizations to benefit from exchanges, mentoring, training and sharing of expertise;
- Established a Bilingual Service Centre (BSC) in St. Laurent, temporarily located in the Recreation Centre until such time as a permanent site can be built;
- Continued the planning process for the establishment of two additional BSCs in St. Vital and Ste. Anne;
- Promoted the services offered in the Bilingual Service Centres (BSCs) and organized outreach activities in the different communities;
- Signed a Statement of Intent to formalize a partnership between the BSCs and the Société franco-manitobaine's 233-ALLÔ Information Centre;
- Launched a new set of Bonjour-Hello promotional tools on Manitoba's active offer of services in French and organized government-wide orientation sessions;
- Participated in a number of committees and conferences at the National and International levels, including the Ministerial Conference on the Canadian Francophonie and the Sommet de la *Francophonie*;
- Provided a grant of $40,000 to the Fédération culturelle canadienne-française (FCCF) in support of the national *La Francoforce* initiative, designed to showcase and celebrate the history and diversity of the Canadian Francophonie, in addition to commemorating 400 years of French presence in Québec City;
- Co-ordinated 189 registrations for French language training: evening and weekend programs for government employees, the continuation of two pilot projects involving French language training during the workday some 18 employees of Family Services and Housing, and the upgrading of skills via the Internet. Continued cost-shared tutoring to include Ministers, Deputy Ministers, and MLAs;
- Dealt with 22 complaints, as well as various issues raised by the public regarding FLS;
- Prepared the Report on French Language Services 2007/2008; and

- In March 2009, as part of the *Rendez-vous de la Francophonie*, presented the *Prix Ronald-Duhamel – Ronald Duhamel Award* to Mr. François Lentz, a former curriculum consultant with the Bureau de l'éducation française, in recognition of a 20-year career devoted to French-language education in the province.

7 (b) Francophone Affairs Secretariat

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	643	14.00	756	(113)	
Other Expenditures	605		587	18	
Total Sub-Appropriation	**1,248**	**14.00**	**1,343**	**(95)**	

CONSUMER AND CORPORATE AFFAIRS DIVISION

The Consumer and Corporate Affairs Division facilitates the resolution of disputes between consumers and businesses, tenants and landlords. The division also: administers legislation for incorporation and registration of businesses; licences trust and loan corporations, credit unions and caisses populaires; licences companies and individuals involved in the sale of securities, real estate, insurance and raising capital; and maintains registries of vital events and of interests in land and personal property.

Administration and Research

Administration and Research is comprised of two programs; the Assistant Deputy Minister's office and Research and Planning.

Mandate:

- Provides overall direction to the Consumer and Corporate Affairs Division;
- Assesses the need for new or amended legislation and co-ordinates the development of legislation and other responses to marketplace problems;
- Investigates marketplace issues and assesses alternative responses to them; and
- Provides support for the division's financial systems and budget processes.

Results:

- Supported the Minister in connection with Bills introduced in the Legislature:
  - Amendments to *The Embalmers and Funeral Directors Act* to enhance consumer protection through information disclosure requirements, a requirement for a code of ethics and additional enforcement tools for the regulator;
  - Amendments to *The Business Practices Act* to require disclosure of information to a consumer when they purchase or lease a vehicle, such as the vehicle's history or whether it was a lemon under the laws of another jurisdiction;
  - *The Securities Transfer Act* which establishes a comprehensive system of rules for transferring securities. It is harmonized with similar legislation in other provinces and reflects current practice; and
  - Amendments to *The Securities Act* to simplify and harmonize the process for registration. The amendments will enable implementation of the passport for registration.
- Supported the Minister, Deputy Minister and Senior Assistant Deputy Minister in continued work with other provinces and territories on securities regulatory reform;
- Policy work underway:
  - modernizing *The Condominium Act;*
  - consultation on possible features of a new home warranty program;
  - Identified possible features for franchise legislation; and
  - Reviewed methods of determining the interest rate to be paid on security deposits held by landlords.

8 (a) **Administration and Research**

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	479	7.78	496	(17)	
Other Expenditures	238		191	47	
Less: Recoverable from Other Appropriations					
Total Sub-Appropriation	**717**	**7.78**	**687**	**30**	

Consumers' Bureau

Functions of the Consumers' Bureau

The Consumers' Bureau provides programs in support of Manitoba consumers and businesses and:

- licenses/registers/grants certifications or authorizations to: vendors and individual sellers engaged in direct selling, collection agencies and collectors, hearing aid dealers, charitable fundraising, and manufacturers or renovators of stuffed articles;
- provides a medium for the investigation of consumer complaints and the resolution of disputes;
- takes action as appropriate concerning the prosecution of offenders;
- identifies problems and issues in the marketplace and makes recommendations to amend legislation under its mandate as required;
- informs and educates consumers, businesses, service groups, consumer groups and student organizations regarding their rights and responsibilities as well as potential risks in the marketplace; and
- consults on current issues with other departments, agencies and organizations in Manitoba, Canada and other countries.

The Consumers' Bureau administers the following statutes:

- *The Business Practices Act*
- *The Consumer Protection Act*
- *The Personal Investigations Act*
- Bedding and Other Upholstered and Stuffed Articles Regulation of *The Public Health Act*
- *The Charities Endorsement Act*
- *The Hearing Aid Act*
- Part III Reverse Mortgage Loans of *The Mortgage Act*

Bureau functions fall into five main areas:

- Investigation and dispute resolution;
- Licensing and registration;
- Special investigations;
- Information/education; and
- Administration/legislative review.

Each program represents a group of activities with a common objective, however all staff are involved in all areas. As an example, all staff provides information/education to clients. Similarly, all staff offer input and effort resulting in recommendations to make changes to legislation.

Investigation and Dispute Resolution

The Bureau receives approximately 34,000 telephone and e-mail inquiries annually from consumers and businesses requesting information or assistance with a problem or complaint. In 2008/2009 over 9,000 calls or email messages and 478 'walk-ins' were as the result of new inquiries. These include businesses who contacted the Bureau to determine their obligations under the legislation, and consumers who sought information or assistance with a specific situation.

In 2008/2009, 1,411 formal written complaints were handled, with automotive and home improvement complaints registering the highest numbers. In 2008/2009, 82 files were carried over from the previous year. This is a decrease from the 178 files carried over from 2006/2007 to 2007/2008. The decrease is as a result of new processes implemented in the complaint handling unit that have significantly decreased the turn-around-time for complaints.

The Consumers' Bureau obtained cash settlements or adjustments for consumers totalling $330,000.00 in 2008/2009. The Bureau has a well established record of success in resolving disputes and strives to maintain a high standard through fair and accurate application of knowledge of contracts, relevant legislation and skill in dispute resolution.

ANALYSIS OF COMPLAINTS

Complaint Type	2008/2009	2007/2008
Automotive	350	230
Home Improvements	223	308
Financial	189	144
Personal Effects And Services:		
Hardware and Software	70	81
Personal Services	26	33
Personal Effects	4	6
Mover/Storage	10	13
Personal Improvement	33	58
Home Furnishings And Accessories:		
Home Furnishings and Accessories	64	60
Home Entertainment	21	18
Mail Order And Subscriptions	11	25
Travel	17	10
Other:		
Telemarketing	10	3
Charities	8	14
Other [1]	375	574
Total	**1,411**	**1,577**

1. *Includes buying clubs, prepaid purchase cards, and Bedding and Other Upholstered and Stuffed Articles. This category also includes complaints/inquiries regarding the "Nigerian-type Scam" and the "Phishing-type scam" that were referred to PhoneBusters.*

Licensing and Registration

The Consumer Protection Act regulates vendors and direct sellers, collection agents and collectors through licensing and bonding requirements. Under the Act, consumers who enter into contracts as a result of a direct sale have a 10-day cancellation right. There are other cancellation rights of up to one year provided to consumers where vendors have not complied with certain requirements specified in the Act.

As a result of non-compliance with a condition of its licence, a collection agency was served with a notice of cancellation of its licence. The notice was not appealed and the licence was cancelled. The public was advised of the cancellation via a news release. Affected consumers were contacted individually.

In addition to administering existing licensing programs, the Bureau continued with the development of a licensing framework in anticipation of pending legislation that will require payday lenders to licence.

Bureau staff conducted licensing inspections at a number of fairs and exhibitions throughout 2008/2009.

Licences, Registrations and Authorizations

Type	2008/2009	2007/2008
Collection Agent	74	63
Vendors	168	165
Direct Seller	2,052	2,176
Hearing Aid Dealers	63	50
BOUSA*	2,334	2,329
Collectors	3,476	3,389
Charities Authorized	229	249
Total	**8,396**	**8,421**

* Bedding and Other Upholstered and Stuffed Articles

Special Investigations

One of the goals of the Consumers' Bureau is a level playing field in the marketplace for consumers and businesses. The Bureau is often successful in obtaining voluntary compliance with its statutes through mediation. There are instances where investigations of breaches of the various Acts are necessary. Following investigation, some matters are referred to the Justice Department for prosecution or other court action as appropriate. The Crown may also seek redress in court for consumers who have been victimized. As alternatives to prosecution, investigations may result in obtaining assurances of voluntary compliance, orders to freeze assets, or injunctions prohibiting certain actions.

In 2008/2009, five charges of committing unfair business practices under *The Business Practices Act* were laid against an individual. The individual pled guilty to three of the counts and was fined $1,500.00 per count.

In addition, seven charges of committing unfair business practices under *The Business Practices Act* and seven charges of selling without a licence under *The Consumer Protection Act* were laid against two individuals. Arrest warrants have been issued for these individuals.

The Consumer Protection Act specifies information that must be disclosed in an advertisement for a credit agreement such as a lease or financing arrangement to ensure that consumers receive sufficient information to make informed decisions. The Act provides for the issuing of administrative penalty notices if disclosure requirements are not met. In 2008/2009 the Consumers' Bureau issued three notices of administrative penalties to businesses in the amount of $1,000 each. Two of the $1,000 fines have been paid while the third one is under appeal.

Information/Education

The educational activities of the Bureau fall into formal and informal categories.

Many of the telephone calls and email messages received by the Bureau are from businesses or consumers who are looking for information regarding their respective rights and obligations. This informal information sharing is typically accompanied by sending out written material, directing the caller to the Bureau's website, or directing them to other agencies that may be able to assist with related issues in their situation.

Formal presentations and activities are also important Bureau functions. Bureau staff made numerous visits to businesses in Winnipeg and throughout Manitoba providing information on and checking on compliance with the cost of credit disclosure requirements, the prepaid gift card requirements, and the payday lending provisions under *The Consumer Protection Act*.

Results:

Consumers' Bureau staff provided 25 general presentations in 2008/2009 to approximately 750 individuals. Topics included the role of the Consumers' Bureau, overviews of the statutes administered by the Bureau and rights and responsibilities of consumers and businesses under those statutes, identity theft, and scams.

Presentations were made to a number of organizations and venues. Three presentations were made to Small Claims Court Hearing Officers on *The Business Practices Act*, the cost of credit disclosure requirements, warranties, licensing, and direct selling provisions under *The Consumer Protection Act*.

In addition, in 2008/2009 Bureau staff made three presentations to approximately 375 individuals in Winnipeg and one in Brandon on the requirements under *The Charities Endorsement Act* as part of the Canada Revenue Agency's "Roadshow" held to advise Manitoba charities of the requirements under the legislation that governs them.

The Bureau continued their participation in a partnership that includes the RCMP, the Winnipeg Police Service, Manitoba Seniors and Healthy Aging Secretariat, and the Addictions Foundation of Manitoba, to hold "Police Academies" for older adults. Two "Police Academy – Older Adult Division" sessions were held in 2008/2009, one in St. Pierre Jolys and one in Winnipeg. Approximately 100 older adults participated. The Consumers' Bureau gave presentations and provided information on frauds and scams, and identity theft.

The Consumers' Bureau, in partnership with other organizations, completed a consumer tips calendar for distribution to consumers. There were 30,000 copies of the calendar distributed to various seniors' organizations and consumer groups and individuals.

The Bureau in partnership with the RCMP, the Manitoba Securities Commission, the Consumers' Association of Manitoba, and Age and Opportunity, completed a DVD and facilitator's guide called "Fact or Fraud: the truth about scams and fraud in Manitoba". It was distributed throughout the province in 2008/2009.

News releases continued to be used as a proactive measure. Ten news releases were issued and contained timely information about current issues in the marketplace. They informed consumers and businesses of their rights and responsibilities and offered information on steps to take to prevent problems.

Administration/Legislative Review

The administration/legislative review program effectively manages the internal operation of the Consumers' Bureau, including the management of financial and human resources within the branch. All staff participate in the business planning, policy reviews and legislative reviews of the Acts administered.

- *The Business Practices Amendment Act (Disclosing Motor Vehicle Information)* received Royal Assent on June 12, 2008. The legislation requires disclosure of information to consumers when they purchase or lease a vehicle;
- Key payday loan provisions in *The Consumer Protection Act* and the *Payday Loans Regulation* (as amended by Regulation 3/2009) came into force on March 9, 2009;
- In January 2009 the Minister announced that the province was moving forward with legislation to regulate payday loan rates. This legislation will be introduced in 2009/2010; and
- The Bureau continued work on the program to develop and deliver inspection, complaint investigation, and education services related to the payday loans.

8 (b) Consumers' Bureau

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	1,069	19.00	1,190	(121)	
Other Expenditures	310		340	(30)	
Grants	125		125		
Total Sub-Appropriation	**1,504**	**19.00**	**1,655**	**(151)**	

Residential Tenancies Branch

The branch administers:

- *The Residential Tenancies Act*
- *The Life Leases Act*
- *The Condominium Act*

The Residential Tenancies Branch:

- provides information to landlords, tenants and others on *The Residential Tenancies Act, The Life Leases Act* and *The Condominium Act*;
- investigates complaints of non-compliance with the legislation;
- mediates disputes between landlords and tenants;
- makes decisions on disputes between landlords and tenants about:
  - security deposits
  - repairs
  - terms and conditions of a tenancy agreement or life lease
  - the right to continue in occupancy, including termination for non-payment of rent and noise and disturbance
  - claims for compensation
  - privacy
  - non- payment of utilities
  - life lease entrance fees
- makes decisions on landlords' applications for rent increases above the guideline and tenants' objections to any rent increases.

Mediation

The branch provides mediation service to help landlords and tenants resolve disputes. If the parties come to an agreement, the branch creates a written Mediated Agreement outlining the terms. If one of the parties defaults on the agreement, the branch can issue a certified Order that can be enforced in the courts. During 2008/2009 the branch wrote 2,818 Mediated Agreements. Of those, 409 were later converted to an Order.

Information/Education

Telephone Calls/Interviews

The branch has an Interactive Voice Response (IVR) System. The service is available for callers to the Winnipeg general information line as well as to people calling on the toll-free number. Callers have the option of:

- speaking to a Client Service Officer;
- listening to recorded information segments about rent increases, security deposits, landlord and tenant responsibilities and repairs;
- having fact sheet information automatically faxed to them;
- calculating the interest payable on a security deposit;
- adding their name to the mailing list for the branch's newsletter;
- listening to recorded information on the branch's location and hours of business.

The IVR system handled 57,061 phone calls in the 2008/09 fiscal year. Client Services Officers in Winnipeg responded to 46,547 of these calls. The remaining 10,514 callers received the information they needed without speaking directly to a Client Services Officer. Staff in Brandon and Thompson handled an additional 6,238 calls. These figures do not include calls to the branch about specific cases. During the fiscal year, approximately 6,363 people came to branch offices to request information or to file a formal complaint. Staff also responded to 3,159 e-mail requests for information.

Website

The Residential Tenancies Branch's website www.manitoba.ca/rtb provides answers to several frequently asked questions. The information is available in English and French. Landlords and tenants can download the most commonly used residential tenancy forms. Landlords can complete Notice of Rent Increase and Notice to New Tenant forms online and submit them to the branch electronically. The electronic method saves mailing costs, speeds delivery times and helps the branch process forms faster. The website also has an automated security deposit interest calculation feature. The website includes the branch's Policies and Procedures Guidebook and links to *The Residential Tenancies Act* and *The Life Leases Act*. The website had 122,876 visits (logons) from April 1, 2008 to March 31, 2009.

Rent Status

Anyone who is considering the purchase of a rental property can apply to the Residential Tenancies Branch for a rent status report. A rent status report provides information on a property's rent history and can alert people to potential rent increase problems. The application and authorization forms can be downloaded from the website. In 2008/2009, the branch received 146 applications for rent status reports involving 193 buildings with 6,323 rental units. The branch processed 135 applications relating to 164 buildings with 4,997 units.

Orders System

The Residential Tenancies' Orders System is also available online. The Orders System provides information on the orders the branch issues, except for rent regulation orders. Clients can access the system by:

- paying an annual subscription fee of $250 and receiving a password; or
- paying a fee to search online at the branch; there is a $5 charge for each 30 minute search.

Users can search the system by landlord or tenant name or by the address of a residential complex. Searches can also be done based on the type of order (e.g. security deposit, repair) or by topic (e.g. carpet cleaning, advertising costs).

Policies and Procedures Guidebook

The branch has a Policies and Procedures Guidebook, available in both English and French, to assist landlords, tenants and staff. The guidebook is available on the branch's website.

Speaking Engagements

In 2008/2009, staff of the Residential Tenancies Branch gave 45 presentations to 954 tenant participants and 20 presentations to 603 landlord participants. The branch also made 18 presentations for student groups. These sessions involved 310 participants, including English as a Second Language, Job Re-entry and Pre-employment Training/Program, as well as Mature Aboriginal students. The branch also made 23 presentations for 252 service providers and had information booths at seven conferences. Staff had the opportunity to speak with over 1,880 people at these displays.

Branch Newsletter

The branch continues to publish its newsletter, "Open Doors" in both English and French. The branch has approximately 1,700 people on its mailing list and sends an additional 1,000 copies to various public libraries as well as libraries at educational institutions. Clients can choose to receive the newsletter by mail or email. The newsletter is also available on the website.

Parts 1 - 8 of *The Residential Tenancies Act*

CASE LOAD

Case Type	2008/2009	2007/2008
Security Deposits	604	613
Hearings		
• Claims	1,235	1,102
• Order of Possession	1,786	1,894
• Determination	66	58
Repairs	687	718
Notices to Vacate	8	40
Non-payment of Utilities	164	145
Tenancy Agreements	2	5
Failure of Landlord/Tenant to Meet Obligations [1]	35	51
Other [2]	17	22
Total Cases Opened	4,604	4,648
Total Cases Closed [3]	4,512	5,019
Intakes Resolved [4]	5,380	5,368
Total Cases Closed And Intakes Resolved	**9,892**	**10,387**

1. This category includes disputes over locks and doors, privacy, seizure of tenant's property, non-payment of rent, disturbance, withholding of services, unauthorized charges or fees.
2. This category includes disputes involving assignment and subletting, mobile homes, entitlement to collect rent, change of landlord and abandonment of rental unit.
3. These figures include cases carried over from the previous fiscal year which were closed during the reporting period.
4. An Intake is a client's request for assistance that does not result in a formal case file being opened. Most are resolved informally at the first stage of contact.

Part 9 of *The Residential Tenancies Act*

CASE LOAD

Case Type	2008/2009	2007/2008
Landlord Application for Rent Increase Above the Guideline [1]	302	257
Application for Laundry Increase	13	15
Application for Approval of a Rehabilitation Scheme - Complex	64	20
Application for Approval of a Rehabilitation Scheme- Specified Unit [2]	132	62
Application for Tenant Requested Improvement	62	35
Application for Withdrawal of Service	18	17
Life Lease Rent Review	8	2
Tenant Objection to Guideline, or less, Rent Increase	106	159
Unauthorized Rent Increases	676	351
Total Cases Opened	1,381	918
Total Cases Closed [3]	1,198	1,102

1. The rent increase guideline for 2007 was 2.5%, 2.0 % for 2008 and 2.5% for 2009.
2. Program began November 1, 2007.
3. These figures include cases carried over from the previous fiscal year which were closed during the reporting period.

Note: The figures shown here may differ from those in the annual report on the administration of *The Residential Tenancies Act*. This difference results from using figures based on the calendar year versus the fiscal year.

Performance Standards

The branch has performance standards for the time required to complete a case. The branch holds hearings to consider claims for compensation and applications for orders of possession. The target for issuing decisions on orders of possession is within three working days of the hearing date. During the 2008/2009 fiscal year, the branch was able to meet its target in most cases.

The performance target for issuing compensation claim decisions is within ten working days of the hearing date. During the 2008/2009 fiscal year, the branch's average time for issuing decisions on claims was approximately 10.1 working days.

When a landlord makes a claim for the security deposit plus interest or less, the branch tries to help the tenant and landlord come to an agreement. If they can't agree, they can ask the branch to make a decision on the claim. The branch usually makes a decision on this type of claim by reviewing written information and other submissions. The performance target for issuing these orders is three months from the date the case is opened. Currently the average time to complete the entire process is just under three months.

During its recently completed reengineering project, the branch temporarily reset the standards for completing work on applications for rent increase above the guideline. The interim target was to issue a decision within six months of the date the branch received the application. In 2008/2009, the branch continued to make adjustments to the case management system that was introduced during the 2007/2008 fiscal year. For this reason, the interim target remained in effect. During the reporting period, the branch closed 90% of these cases within six months.

Safety Net Program

The Safety Net Program's main purpose is to help people with special needs that are being evicted. These include clients with mental or physical disabilities, the elderly and infirm, single parents or families with children. The safety net program may also be used when the Department of Health placards a building or there is some other unsafe living condition.

8 (c) Residential Tenancies Branch

Expenditures by Sub-Appropriation	Actual 2008/2009	Estimate 2008/2009		Variance Over/(Under)	Expl. No.
	$(000s)	FTEs	$(000s)	$(000s)	
Salaries and Employee Benefits	3,539	59.50	4,078	(539)	
Other Expenditures	807		958	(151)	
Total Sub-Appropriation	**4,346**	**59.50**	**5,036**	**(690)**	*1*

1. *Under expenditure is due to position vacancies and reduced costs associated with the implementation of the unit by unit rehabilitation program.*

Financial Institutions Regulation Branch

The Financial Institutions Regulations Branch administers legislation related to insurance companies, trust and loan corporations, credit unions and caisses populaires and cooperatives.

The mandate of the branch is to:

- provide a legislative and regulatory framework to promote the orderly growth and development of cooperatives, credit unions and caisses populaires, and the insurance industry in Manitoba;
- protect the public while facilitating the transaction of the business of insurance;
- regulate and license private insurance companies;
- license hail insurance agents, hail insurance adjusters and accident and baggage insurance agents;
- oversee the Insurance Council of Manitoba in its role to license and supervise the activities of all other insurance agents and adjusters;
- issue business authorizations to trust and loan corporations to do business in Manitoba;
- provide a legislative and regulatory framework to safeguard the funds gathered from the public and ensure the prudent investment of those funds;
- protect members of cooperatives, credit unions and caisses populaires through the administration of *The Cooperatives Act*, *The Credit Unions and Caisses Populaires Act* and corresponding regulations;
- monitor the financial and operational performance of the Credit Union Deposit Guarantee Corporation, La Société d'assurance-dépôts des Caisses Populaires, The Credit Union Central of Manitoba and La Fédération des Caisses Populaires du Manitoba;
- maintain a registry for cooperatives, credit unions and caisses populaires, assist with the incorporation of such entities and provide advice on statutory matters including issuing securities to members; and
- review existing legislation and recommend changes where appropriate.

The Financial Institutions Regulation Branch administers the following statutes:

- *The Cooperatives Act*
- *The Credit Unions and Caisses Populaires Act*
- Part XXIV of *The Corporations Act* (Trust and Loan Corporations)
- *The Insurance Act*
- *The Insurance Corporations Tax Act*, and
- *The Marine Insurance Act*

In addition, the tax under the regulations of *The Fires Prevention and Emergency Response Act* is collected on behalf of the Fire Commissioners Office.

Results:

- Mediated disputes between consumers and insurance companies and between members and their cooperative, credit union or caisses populaire with 90 complaint files processed;
- Reviewed the annual returns from 49 federal and extra-provincial trust and loan corporations operating in Manitoba and reviewed areas of concern with the primary regulators from the incorporating jurisdictions;
- Licensed 253 insurance companies to transact insurance in Manitoba;
- Licensed 209 hail insurance agents, 576 accident and baggage insurance agents and 65 hail adjusters;
- Reviewed and approved 49 business authorizations for federal and extra-provincial trust and loan corporations operating in Manitoba;
- Collected the premium tax under *The Insurance Corporations Tax Act ($66.5 million);*
- Collected the tax under *The Fires Prevention and Emergency Response Act ($5.5 million);*
- Monitored stakeholders' satisfaction by surveying each insurance company and one of every three consumers that came into contact with the branch as a result of the mediation role. The result was a satisfaction rate of 89%; and
- As at March 31, 2009 there were 49 federal and extra-provincial trust and loan corporations operating in Manitoba.

Following are the consolidated statistics from the credit union and caisses populaires systems operating in Manitoba at December 31:

Credit Unions	2008	2007
Total Assets	$14.4 billion	$12.9 billion
Total Deposits	$13.4 billion	$12.0 billion
Total Loans	$12.1 billion	$10.6 billion
Members	553,674	562,650
Number of credit unions/locations	48/182	52/180

Caisses Populaires	2008	2007
Total Assets	$775 million	$693 million
Total Deposits	$708 million	$643 million
Total Loans	$611 million	$556 million
Members	30,300	30,300
Number of caisses populaires/locations	5/28	5/28

Cooperatives

As at March 31, 2009 there were 360 cooperatives with over 350,000 active members operating in Manitoba categorized as follows:

Classification of Cooperatives	2008	2007
Housing	55	55
Consumer	59	62
Day-care	41	41
Community Service	28	28
Utility	37	36
Marketing	31	29
Recreational and Community Clubs	30	30
Farmers Markets	10	9
Agriculture/Producer	17	17
Cattle Feeders	9	10
Employment	21	19
Fishing	11	10
Communications and Transportation	11	10
Total	**360**	**356**

During 2008/2009, 14 new cooperatives were incorporated or revived while 10 cooperatives were dissolved or were discontinued.

Insurance

Summary comparisons of licensing and complaint activities performed by the branch and Insurance Council of Manitoba are as follows:

LICENSING OF INSURANCE COMPANIES		
Description	**2008/2009**	**2007/2008**
Federal	208	211
Provincial	45	42
Total	**253**	**253**

LICENCES ISSUED BY SUPERINTENDENT OF INSURANCE OFFICE		
DESCRIPTION	**2008/2009**	**2007/2008**
Hail Agents	209	287
Accident and Baggage Agents	576	606
Miscellaneous Agents	4	4
Agents Sub-Total	**789**	**897**
Hail Adjusters	61	65
Adjusters Sub-Total	**61**	**65**
Special Brokers Licences	**4**	**4**
Agent Licences Cancelled or Denied by Superintendent of Insurance	**N/A**	**N/A**
Total	**854**	**966**

LICENCES ISSUED BY INSURANCE COUNCIL OF MANITOBA		
Description	**2008/2009**	**2007/2008**
Life Agents	2,692	2,586
General Agents	3,308	3,108
Accident and Sickness Agents	2,148	2,044
Automobile Agents	2	4
Subtotal Agents	**8,150**	**7,742**
Adjusters	74	72
Assistant Adjusters	9	12
Subtotal Adjusters	**83**	**84**
Total	**8,233**	**7,826**

LICENCES CANCELLED, SUSPENDED, REVOKED OR REFUSED BY INSURANCE COUNCIL OF MANITOBA

Description	2008/2009	2007/2008
Agent Licences Cancelled	0	3
Agent Licences Suspended	0	0
Agent Found Unsuitable Fined & Assessed Cost	0	2
Adjuster Found Unsuitable	1	0
Agent Licences Refused	1	1
Suspension, fines and costs	0	0
Suspension and costs	1	0
Costs only	0	0
Fines and costs	14	8
Total	**17**	**14**

INSURANCE AGENT AND ADJUSTER LICENCING EXAMINATIONS BY INSURANCE COUNCIL OF MANITOBA

	WRITTEN		PASSED		FAILED	
	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008
Life	480	429	288	314	192	115
General	27	38	11	14	16	24
Accident & Sickness	2	2	2	2	0	0
Subtotal Agents	**509**	**469**	**301**	**330**	**208**	**139**
Adjusters	11	5	7	3	4	2
Total	**520**	**474**	**308**	**333**	**212**	**141**

ANALYSIS OF COMPLAINTS - PART ONE

	LIFE		ACCIDENT & SICKNESS		ANNUITIES – RRSPs		PERSONAL LINES/ TENANTS and HOMEOWNERS		COMMERCIAL LINES	
Description	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**
Claims	5	4	12	15	0	0	23	14	2	1
Application Rejected/ Renewal Refused	0	2	0	0	0	0	1	3	0	0
Premium Payments	3	10	2	0	1	0	5	5	1	1
Claim Tactics	0	0	0	0	0	0	0	0	0	0
Selling Tactics	2	1	1	0	3	0	0	1	0	0
Sales Promotion and Advertising	0	1	0	1	0	0	0	1	1	1
Rebating	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	2
Totals	**10**	**18**	**15**	**16**	**4**	**0**	**29**	**24**	**4**	**5**

ANALYSIS OF COMPLAINTS - PART TWO

	HAIL		TRAVEL		FARM		MISCELLANEOUS LINES – LIVESTOCK, BAGGAGE, WARRANTIES, EXTENDED AUTO COVERAGE ETC.	
Description	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**	**2008/2009**	**2007/2008**
Claims	0	0	1	3	1	2	1	2
Claims Tactics	0	0	0	0	0	0	0	1
Selling Tactics	0	0	0	0	0	0	0	1
Sales Promotion and Advertising	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	2	6
Totals	**0**	**0**	**1**	**3**	**1**	**2**	**3**	**10**

COMPLAINT STATISTICS - INSURANCE COUNCIL OF MANITOBA		
Description	**2008/2009**	**2007/2008**
Number of Complaints Opened	81	86
Number of Complaints Dealt With	72	86
Number of Complaints Outstanding at March 31	31	23

NEW COMPLAINTS PER COUNCIL		
Description	**2008/2009**	**2007/2008**
Adjusters Council	7	9
General Council	24	30
Life Council	50	47

8 (d) Financial Institutions Regulations Branch

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	715	10.50	747	(32)	
Other Expenditures	193		242	(49)	
Total Sub-Appropriation	**908**	**10.50**	**989**	**(81)**	

Claimant Adviser Office – Automobile Injury Compensation Appeals

The Claimant Adviser Office (CAO), established under the *Manitoba Public Insurance Corporation Act* (the Act) in 2004, officially opened for business on May 16, 2005. The CAO assists persons who wish to appeal a decision made by the Manitoba Public Insurance Corporation (the Corporation) in relation to bodily injury claims to the Automobile Injury Compensation Appeal Commission (the Commission). The CAO is independent from the Manitoba Public Insurance Corporation (MPIC) and the Commission.

The Claimant Adviser Office is fully accessible to persons with disabilities and offers its services in both official languages. A public access computer workstation is available at the office for the use of claimants who are working with the CAO.

Results:

In the 2008/2009 fiscal year, 121 new intake files were opened.

File Analysis

Closed Files	**2008/2009**	**2007/2008**
No appealable issue	28	* 82
Appeal allowed	10	10
Appeal denied	13	9
Settlement (No hearing)	3	3
New decision from MPIC	6	5
Withdrawn after review	31	6
Total	**91**	**115**

Status Of Open Files	**2008/2009**	**2007/2008**
Claimant application incomplete	6	3
CAO awaiting Indexed File	22	21
Active files	321	299
Total	**349**	**323**

Status Of Active Files	**2008/2009**	**2007/2008**
Decision pending	10	2
Hearings adjourned	4	4
Hearing dates to be scheduled	12	10
Hearings scheduled	24	10
Files under active review	157	117
Files awaiting review	** 186	156
Total	393	**299**

Appeal Hearing Dates	**2008/2009**	**2007/2008**
Appeal Hearing dates	47	21
Pre-Hearing dates	29	14
Adjourned hearing dates	4	8
Total	**80**	**43**

* 54 of the "No Appealable Issue" files were longstanding pending files that represented a category of clients who had initially contacted the CAO for services but failed to provide the necessary documentation and authorization forms. In 2007/2008 a concentrated effort was made to contact these clients and determine if they required assistance and the files were closed.

** The CAO has not received the indexed file from AICAC for 22 of the 186 files awaiting review.

Performance Targets

A number of variables affect setting and achieving performance targets for the Claimant Adviser Office. There is a great variety in the size and complexity of the files. The majority of files contain multiple issues being appealed. Many appeals require a number of hearing dates.

Investigation of appeal files can also be complex. In the typical case it is necessary for the CAO to obtain reports from the claimant's caregivers. In some cases it is optimal to obtain a specialist's opinion to support the appellant's case. This may require the claimant to wait for an appointment to attend a busy specialist. The time spent to obtain a consultation with very busy specialists can be considerable and is not controlled by the CAO. When cost of a medical report exceeds the limit set for reimbursement by legislation, a separate appeal hearing is required to argue that the Automobile Injury Compensation Appeal Commission should order a medical report.

Targets and Results:

1. Files shall be assigned to a claimant adviser within three weeks of first contact by an appellant with the office.
   - Seventy-one percent of client files were assigned to claimant advisers within three weeks of contact with the office. Files that were not assigned within three weeks belong primarily to clients who had asked for intake and authorization forms to be mailed and had not returned the information within the three week period.

2. The claimant adviser assigned to a file shall contact a claimant within one week to explain the appeal process and provide tentative time lines.
   - Eighty-nine percent of claimants were contacted by the claimant adviser within one week of the file being assigned.

3. The claimant adviser assigned to a file shall, within six weeks of receiving the indexed file from the Commission, review the indexed file and develop an action plan for the claim.
   - Seven percent of the indexed files received in 2008/2009 were reviewed within the six week performance target.
   - Performance was under target because:
     - Claimant advisers were working on a backlog of files in addition to new files opened in 2008/2009.

4. The claimant adviser assigned to a file shall seek an appeal date within six months of receipt of the indexed file.
   - Claimant advisers requested appeal dates for 6% of files in this category which is a small improvement over the previous fiscal year.
   - The reason for not meeting this target is a backlog of files created since the office opened in 2005.

Efforts to improve performance include:
- Additional staff has been employed to assist with the demand for services and backlog of appeal files;
- A full staff complement was achieved in February 2009;
- The CAO was able to obtain six new decisions from the Corporation and negotiated three appeal settlements agreements in 2008/2009. Thirty one appellants decided to withdraw their appeals after meeting with a claimant adviser and discussing the assessment of appeal evidence; and
- Twenty-eight files were closed at the pre-hearing stage in 2008/2009 after an analysis of the file showed that there was no evidence to support the appeal.

8 (e) Claimant Adviser Office - Automobile Injury Compensation Appeals

Expenditures by Sub-Appropriation	Actual 2008/2009	Estimate 2008/2009		Variance Over/(Under)	Expl. No.
	$(000s)	FTEs	$(000s)	$(000s)	
Salaries and Employee Benefits	649	11.50	777	(128)	
Other Expenditures	251		391	(140)	1
Total Sub-Appropriation	**900**	**11.50**	**1,168**	**(268)**	

1. Under expenditure is due to reduced operating costs resulting from position vacancies and reduced utilization of external professional services.

Automobile Injury Compensation Appeal Commission

General

The Automobile Injury Compensation Appeal Commission ('the Commission'), now in its 15th full year of operation, is a specialist tribunal established under *The Manitoba Public Insurance Corporation Act* (the Act) to deal with appeals of internal review decisions concerning benefits under the Personal Injury Protection Plan (PIPP) of Manitoba Public Insurance Corporation (MPIC), a "no-fault" insurance program.

The Commission has nine full-time staff comprised of a chief commissioner, two deputy chief commissioners, a director of appeals, two appeals officers, a secretary to the chief commissioner and two administrative assistants. In addition, there are 22 part-time commissioners who sit on appeal panels on an as-required basis.

In 2008/2009, 152 individuals filed appeals respecting 186 MPIC internal review decisions. This compares with 171 individuals filing appeals respecting 187 MPIC internal review decisions in the 2007/2008 fiscal year. Most of the appeals heard during the 2008/2009 fiscal year relate to injuries sustained in prior years, some as early as 1994. As each year passes, many of the files increase in terms of the volume of documents and time required by the Commission to review the files. This is due in part to the fact that when injuries are relatively serious and the insurer's initial liability is not disputed, a claimant may be in receipt of income replacement, medical treatment or other coverage from MPIC for an extended period; in such cases it is only when the insurer decides to terminate benefits that the appeal process is initiated.

The Appeal Process

In 2008/2009 the Commission held 123 hearings and 60 pre-hearing meetings or case conferences as compared to 109 hearings and 57 pre-hearings or case conferences in 2007/2008. A significant factor in the increase of pre-hearings or case conferences in the last three fiscal years was that some appeals required further case management by a commissioner for various reasons such as to determine the status of the appeal, or whether there is any reason why the Commission should not schedule a hearing date. The result of pre-hearings or case conferences significantly reduced the number of appeal hearings that were to be determined on the merits. Appellants were successful in whole or in part in 37% of the appeals heard by the Commission during 2008/2009.

A decision of the Commission is binding, subject only to a right of appeal to the Manitoba Court of Appeal on a point of law or a question of jurisdiction, and then only with leave of the court. There were four applications for leave to appeal in the 2008/2009 fiscal year. The Court of Appeal granted leave in one case and ordered that the matter be sent back to the Commission for a new hearing, and denied leave in three cases. On four other applications for leave to appeal, which were filed in previous fiscal years, two were denied, one was adjourned sine die, and one was dismissed by a panel of judges. In the Commission's 15 years of operation, the Court of Appeal has granted leave to appeal in a total of 11 cases.

Performance Targets

The Commission strives to hear and decide appeals fairly, accurately and with reasonable expedition. With this in mind, the Commission has established the following performance targets:

- Preparation of the indexed file of material to be used at the hearing within 5 weeks after receipt of MPIC's file and all other additional material.
- Hearings are scheduled within 6 to 8 weeks from the time the parties notify the Commission of their readiness to proceed.
- Written decisions are rendered within 6 weeks following the hearing and receipt of all required information.

The Commission continues to experience a consistent volume of appeals filed resulting in the following average turnaround times for 2008/2009:

- Files are indexed within 15 weeks of the receipt of MPIC's file and additional material compared to 27 weeks in 2007/2008 and 40 to 49 weeks in 2006/2007.
- Hearings dates are scheduled within 9 weeks from the time the parties are ready to proceed to a hearing compared to 9.5 weeks in 2007/2008 and 6-8 weeks in 2006/2007.
- The average turnaround time from the date a hearing concluded to the date the Commission issues an appeal decision is 7 weeks compared to 7.5 weeks in 2007/2008 and 4 weeks in 2006/2007.

The Commission recognizes the preparation of the indexed file still does not meet its performance targets. This is due to a staff turnover over the last three years which has impacted the number of files the Commission was able to process. As well, with the influx of time, the number of issues has increased in respect of each individual appeal, which necessitates the preparation of supplemental indexes and re-indexing on existing files. As the files are older, the complexity of the issues and the volume of the files also increase.

While the Commission continued to experience a backlog of files requiring indexing, additional performance targets for 2008/2009 included:

- Preparing 264 indexed files which included preparing indexes on older files as a priority.

The Commission achieved 58% of the new objective by completing 154 indexes. This compares to 252 indexes completed in 2007/2008.

The Commission recognizes that this is a reduction in the number of indexes prepared compared to the last fiscal year, however, the Commission expects to continually make progress until the backlog is eliminated. The backlog is due, in part, to the large volume of active files the Commission has to case manage. The Commission scheduled pre-hearings or case conferences on existing files with a long period of inactivity, which resulted in the preparation of an additional 67 pre-hearing or case conference indexes and 52 supplemental indexes on existing files where additional material was received.

Since 2006 the Commission has been addressing the backlog by hiring additional temporary staff to assist with the backlog of indexing and the case management of 509 active files. As of March 31, 2009, the Commission has a backlog of 69 files to be indexed. This is a significant reduction of indexes (68%) from October 2006 when the backlog was 214 files to be indexed. The Commission consistently reviews its processes in order to determine better methods for handling its large case load.

8 (f) Automobile Injury Compensation Appeal Commission

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	765	9.00	859	(94)	
Other Expenditures	262		275	(13)	
Total Sub-Appropriation	**1,027**	**9.00**	**1,134**	**(107)**	

Residential Tenancies Commission

The Residential Tenancies Commission is a quasi-judicial, specialist tribunal that hears appeals from decisions and orders of the Director under *The Residential Tenancies Act*.

The Residential Tenancies Commission consists of:

- The Chief Commissioner - a full-time position; appointed for up to a five-year term, located in Winnipeg.
- Deputy Commissioners – one full-time position and twenty part-time positions; may exercise the powers and perform the duties of the Chief Commissioner; appointed for a two-year term; from Winnipeg, Brandon and Thompson.
- Panel members - forty-seven panel members – approximately half representing the views of the landlords, the others the views of the tenants; from Winnipeg, The Pas, Thompson and Brandon.

Hearings are before a panel of three consisting of one landlord representative, one tenant representative and a neutral commissioner which is either the Chief Commissioner or one of the deputies. Hearings are chaired by the neutral commissioner. The neutral commissioner also casts the deciding vote if there is a tie. Hearings outside of Winnipeg are held at the nearest judicial district.

The Residential Tenancies Commission decisions can be appealed to the Court of Appeal, but only on a question of law or jurisdiction. A Court of Appeal judge must grant leave or permission to appeal. Section 179 of *The Residential Tenancies Act* dealing with rent regulation states that *"No appeal lies from a decision or order of the commission made in a matter arising under Part 9."* The Residential Tenancies Commission's decision here is final.

ACTIVITY SUMMARY
April 1, 2008 – March 31, 2009

Activity	Received	Processed
Abandonment	1	1
Claim For Security Deposit or Less	35	47
Disputes	0	0
Distraint and Lockout	1	2
Enforcement	3	1
Hearings	375	401
Repairs	26	22
Utilities	8	8
Rent Regulation	93	74
Total	**542**	**556**

Appeals [1]	
Landlord initiated	184
Tenant initiated	256
Other Party initiated	1
Multiple Party initiated	101
Total	**542**

Decisions [2]	
Orders upheld	209
Orders varied	175
Orders rescinded/overturned	54
Orders withdrawn/settled	95
Orders cancelled	4
Pending	1
Orders denied	18
Total	**556**

1. *Total Appeals represents the number of Appeals received within the fiscal period.*
2. *Total Decisions represents the number of Appeals processed, Orders issued and files closed within the fiscal period.*

ACTIVITY SUMMARY April 1, 2008 – March 31, 2009		
	Received	**Processed**
Winnipeg Appeal Hearings		**470**
Other Appeal Hearings:		
Beausejour		1
Brandon		10
Morden		3
Neepawa		3
Portage la Prairie		3
Russell		1
Selkirk		3
Ste. Anne		1
Steinbach		2
Thompson		2
Total Winnipeg and Other Appeal Hearings [1]		**499**
Court of Appeal		
Applications for Leave to Appeal	20	
Denied		16
Pending		1
Granted		-
New Commission Hearing to be held		-
Adjourned Sine Die		-
Withdrawn		3
Settled		-
Abandoned		-
Court of Appeal Hearings Pending		

1. *Total Appeal Hearings represents the actual number of hearings which took place within the fiscal period.*

8 (g) Residential Tenancies Commission

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Salaries and Employee Benefits	786	7.50	821	(35)	
Other Expenditures	185		203	(18)	
Total Sub-Appropriation	**971**	**7.50**	**1,024**	**(53)**	

CAPITAL INVESTMENT

Capital investment is provided in the Estimates of Expenditures under Part B. For the year ended March 31, 2009, the department's capital authority provided for the configuration of the Residential Tenancies Branch (RTB) workspace to accommodate workflow changes arising from the integrated computer system and re-engineered business processes. Additional capital authority was provided for the acquisition and integration of software in support of standardized auditing practices in the Internal Audit and Consulting Services branch.

Part B Capital Investment

Expenditures by Sub-Appropriation	Actual 2008/2009 $(000s)	Estimate 2008/2009 FTEs	Estimate 2008/2009 $(000s)	Variance Over/(Under) $(000s)	Expl. No.
Finance	39		956	(917)	1
Total Sub-Appropriation	**39**		**956**	**(917)**	

1. *Under expenditure is essentially due to deferred leasehold improvements associated with the RTB Re-engineering project.*

SUSTAINABLE DEVELOPMENT

The department is committed to the Principles and Guidelines set out in *The Sustainable Development Act* and works to incorporate them in department activities, programs and business practices.

The following activities continued throughout 2008/2009:

- The department maintained its sustainable development homepage on the *Intranet* as a department link to *The Sustainable Development Act* and the Green Procurement page of the Procurement Services Branch, Manitoba Infrastructure and Transportation.
- "Green" products and recycled materials continue to be purchased where available including the purchase of recycled copy paper.
- The department continued the recycling of various materials.
- Departmental staff assigned fleet vehicles continue to use ethanol-blended gasoline where available.

Part A - Operating Expenditure
Department of Finance
Reconciliation Statement
($000s)

Details	2008/2009 Estimate
2008/2009 Main Estimates	$365,399
Allocation of Funds from:	
Enabling Appropriations	650
2008/2009 Estimate	**$366,049**

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Estimat 2008-2009		Appropriation	Actua 2008-2009	Actual 2007-2008	Increas (Decrease)	Explanation Numbe
	07- 1	ADMINISTRATION AND FINANCE				
45	(a)	Minister's Salary	45	42	3	
	(b)	Executive Support				
766		Salaries and Employee Benefits	717	739	(22)	
114		Other Expenditures	212	149	63	1
	(c)	Financial and Administrative Services				
563		Salaries and Employee Benefits	466	372	94	2
86		Other Expenditures	74	102	(28)	3
21	(d)	Tax Appeals Commission	20	18	2	
29	(e)	Independent Administrator	32	38	(6)	
	(f)	Human Resource Services				
631		Salaries and Employee Benefits	576	524	52	
75		Other Expenditures	47	48	(1)	
	(g)	Information Technology Services				
1,193		Salaries and Employee Benefits	1,133	945	188	
132		Other Expenditures	131	146	(15)	
3,655		Subtotal 07- 1	3,453	3,123	330	
	07- 2	TREASURY				
	(a)	Administration				
128		Salaries and Employee Benefits	126	123	3	
110		Other Expenditures	93	104	(11)	
	(b)	Capital Markets				
617		Salaries and Employee Benefits	422	587	(165)	4
74		Other Expenditures	56	60	(4)	
	(c)	Treasury and Banking Operations				
948		Salaries and Employee Benefits	862	847	15	
103		Other Expenditures	139	101	38	5
	(d)	Treasury Services				
		Salaries and Employee Benefits				
		Other Expenditures				
1,980		Subtotal 07- 2	1,698	1,822	(124)	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Estimat 2008-2009		Appropriation	Actua 2008-2009	Actual 2007-2008	Increas (Decrease)	Explanation Numbe
	07- 3	COMPTROLLER				
	(a)	Comptroller's Office				
557		Salaries and Employee Benefits	394	289	105	6
90		Other Expenditures	92	52	40	7
	(b)	Internal Audit and Consulting Services				
2,514		Salaries and Employee Benefits	2,058	1,917	141	
321		Other Expenditures	266	368	(102)	8
	(c)	Disbursements and Accounting				
2,833		Salaries and Employee Benefits	2,588	2,345	243	
886		Other Expenditures	870	913	(43)	
(510)		Less: Recoverable from Other Appropriations	(526)	(516)	(10)	
6,691		Subtotal 07- 3	5,742	5,368	374	
	07- 4	TAXATION				
	(a)	Management and Research				
2,243		Salaries and Employee Benefits	2,044	1,959	85	
292		Other Expenditures	404	262	142	9
	(b)	Taxation Administration				
3,265		Salaries and Employee Benefits	3,158	2,974	184	
3,082		Other Expenditures	3,770	4,486	(716)	10
	(c)	Audit				
6,838		Salaries and Employee Benefits	6,162	6,002	160	
1,135		Other Expenditures	960	1,044	(84)	
	(d)	Tobacco Interdiction				
744		Salaries and Employee Benefits	317	507	(190)	11
252		Other Expenditures	173	180	(7)	
17,851		Subtotal 07- 4	16,988	17,414	(426)	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Estimat 2008-2009		Appropriation	Actua 2008-2009	Actual 2007-2008	Increas (Decrease)	Explanation Numbe
	07- 5	FEDERAL-PROVINCIAL RELATIONS AND RESEARCH				
	(a)	Economic and Federal-Provincial Research				
2,286		Salaries and Employee Benefits	2,365	2,055	310	12
1,418		Other Expenditures	1,553	1,584	(31)	
	(b)	Manitoba Tax Assistance Office				
392		Salaries and Employee Benefits	352	350	2	
133		Other Expenditures	96	87	9	
4,229		Subtotal 07- 5	4,366	4,076	290	
	07- 6	INSURANCE AND RISK MANAGEMENT				
381	(a)	Salaries and Employee Benefits	379	368	11	
71	(b)	Other Expenditures	58	50	8	
2,653	(c)	Insurance Premiums	1,515	1,658	(143)	
(2,653)	(d)	Less: Recoverable from Other Appropriations	(1,515)	(1,658)	143	
452		Subtotal 07- 6	437	418	19	
	07- 7	TREASURY BOARD SECRETARIAT				
	(a)	Treasury Board Secretariat				
5,589		Salaries and Employee Benefits	5,106	4,819	287	
841		Other Expenditures	1,253	1,014	239	13
	(b)	Fracophone Affairs Secretariat				
756		Salaries and Employee Benefits	643	595	48	
587		Other Expenditures	605	487	118	
7,773		Subtotal 07- 7	7,607	6,915	692	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Estimat 2008-2009		Appropriation	Actua 2008-2009	Actual 2007-2008	Increas (Decrease)	Explanation Numbe
	07- 8	CONSUMER AND CORPORATE AFFAIRS				
	(a)	Administration and Research				
496		Salaries and Employee Benefits	479	329	150	14
191		Other Expenditures	238	201	37	
		Less: Recoverable from Other Appropriations		(39)	39	15
	(b)	Consumers' Bureau				
1,190		Salaries and Employee Benefits	1,069	997	72	
340		Other Expenditures	310	656	(346)	16
125		Grants	125	100	25	17
	(c)	Residential Tenancies Branch				
4,078		Salaries and Employee Benefits	3,539	3,585	(46)	
958		Other Expenditures	807	747	60	
	(d)	Financial Institutions Regulation				
747		Salaries and Employee Benefits	715	667	48	
242		Other Expenditures	193	156	37	
	(e)	Claimant Adviser Office - Automobile Injury Compensation Appeals				
777		Salaries and Employee Benefits	649	350	299	18
391		Other Expenditures	251	169	82	19
	(f)	Automobile Injury Compensation Appeal Commission				
859		Salaries and Employee Benefits	765	750	15	
275		Other Expenditures	262	254	8	
	(g)	Residential Tenancies Commission				
821		Salaries and Employee Benefits	786	667	119	
203		Other Expenditures	185	194	(9)	
11,693		Subtotal 07- 8	10,373	9,783	590	

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Estimat 2008-2009		Appropriation	Actua 2008-2009	Actual 2007-2008	Increas (Decrease)	Explanation Numbe
	07- 9	COSTS RELATED TO CAPITAL ASSETS				
	(a)	Desktop Services				
102		Amortization Expense - Transition		101	(101)	20
189		Enterprise Software Licences	189	189		
2,646	(b)	Amortization Expense	2,594	2,552	42	
1,179	(c)	Interest Expense	1,151	1,409	(258)	21
4,116		Subtotal 07- 9	3,934	4,251	(317)	
	07-10	NET TAX CREDIT PAYMENTS				
251,000		Education Property Tax Credit	246,355	228,757	17,598	
43,000		Personal Tax Credit	37,956	42,372	(4,416)	
1,975		School Tax Assistance for Tenants and Homeowners (55+)	1,351	1,598	(247)	
1,050		Political Contribution Tax Credit	2,364	1,013	1,351	
75		Riparian Property Tax Reduction	22	25	(3)	
984		Federal Administration Fee	993	987	6	
		Less: Recoverable from Education, Citizenship and Youth:				
(251,000)		Education Property Tax Credit	(246,355)	(228,757)	(17,598)	
(1,975)		School Tax Assistance for Tenants and Homeowners (55+)	(1,351)	(1,598)	247	
45,109		Subtotal 07-10	41,335	44,397	(3,062)	22

Part A: Expenditure Summary by Appropriation

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Estimat 2008-2009		Appropriation	Actua 2008-2009	Actual 2007-2008	Increas (Decrease)	Explanation Numbe
	07-11	PUBLIC DEBT				
	(a)	Interest on:				
1,151,173		the Public Debt of Manitoba and related expenses	1,130,921	1,191,499	(60,578)	
110,700		departments' capital assets	95,770	97,254	(1,484)	
55,000		Trust and Special Funds	41,959	69,971	(28,012)	
	(b)	Less: Interest and Other Charges to be received from:				
(153,916)		Sinking Fund Investments	(140,826)	(165,620)	24,794	
(515,134)		Manitoba Hydro	(531,172)	(561,830)	30,658	
(28,282)		Manitoba Housing and Renewal Corporation	(27,649)	(28,126)	477	
(17,774)		Manitoba Agricultural Credit Corporation	(17,472)	(18,469)	997	
(23,647)		Other Government Agencies	(25,289)	(18,924)	(6,365)	
(118,664)		Other Loans and Investments	(119,790)	(170,528)	50,738	
(196,956)		Other Appropriations	(182,026)	(144,194)	(37,832)	
262,500		Subtotal 07-11	224,426	251,033	(26,607)	23
366,049		Total Expenditures	320,359	348,600	(28,241)	

Manitoba Finance

Expenditure Variance Explanations

for expenditures for the fiscal year ended March 31, 2009 as compared to figures for the previous fiscal year

Explanation Numbers:

1. Increase is due to the office lease costs associated with establishment of the Senior Assistant Deputy Minister's Office and increased travel costs.
2. Increase is due to reduced position vacancies.
3. Decrease is essentially due to office renovations undertaken in 2007/2008.
4. Decrease is essentially due to position vacancies.
5. Increase is essentially due to increased costs associated with managing derivative financial instruments
6. Increase is due to reduced position vacancies.
7. Increase is essentially due to the rationalization and increase in office space.
8. Decrease is essentially due to office renovations undertaken in 2007/2008.
9. Increase is due to office relocation of Compliance Unit.
10. Decrease is essentially due to reduction in the provision for doubtful accounts for taxation receivables.
11. Decrease is due to increased position vacancies.
12. Increase is due to reduced position vacancies.
13. Increase is due to delivery of corporate initiatives (Consolidation of Classification Services and a Program Review initiative).
14. Increase is due to reduced position vacancies.
15. Decrease is due to the support services no longer provided.
16. Decrease is due to increased costs associated with the Pay Day Loans hearings conducted by Public Utilities Board in 2007/2008.
17. Increase is due to increased grant to Community Financial Counselling Services.
18. Increase is due to reduced position vacancies.
19. Increase is due to office renovations.
20. Decrease is due to non-recurring desktop transition costs.
21. Decrease is due to declining asset values.
22. Decrease is essentially due to increase in average income of potential claimants resulting in a reduction of total benefits under formula as it applies to the Personal Tax Credit and prior year adjustments. An increase in the Education Property Tax Credit and corresponding recovery from Education, Citizenship and Youth is due to the increase in the credit to homeowners and renters from $525 to $600.
23. Decrease is primarily due to increased investment earnings offset by borrowing and other capital costs.

Manitoba Finance

Revenue Summary by Source

for the fiscal year ended March 31, 2009 with comparative figures for the previous fiscal year ($000s)

Actual 2007/2008	Actual 2008/2009	Increase (Decrease)		Source	Actual 2008/2009	Estimate 2008/2009	Variance	Expl. No.
				TAXATION				
2,284,669	2,455,117	170,448	a	Individual Income Tax	2,455,117	2,312,100	143,017	1
366,818	386,131	19,313	b	Corporation Income Tax	386,131	299,200	86,931	2
165,779	167,816	2,037	c	Corporation Capital Tax	167,816	123,200	44,616	3
152,472	136,063	(16,409)	d	Gasoline Tax	136,063	137,000	(937)	4
65,233	67,682	2,449	e	Insurance Corporations Tax	67,682	63,500	4,182	5
44,731	49,519	4,788	f	Land Transfer Tax	49,519	43,600	5,919	6
341,383	357,501	16,118	g	Levy for Health and Education	357,501	344,400	13,101	7
3	3	0		Succession Duty and Gift Tax	3	0	3	
64	64	0	h	Mining Claim Lease Tax	64	72	(8)	
99,637	45,927	(53,710)	i	Mining Tax	45,927	128,000	(82,073)	8
95,721	92,716	(3,005)	j	Motive Fuel Tax	92,716	90,100	2,616	9
1,391,072	1,485,481	94,409	k	Retail Sales Tax	1,485,481	1,469,400	16,081	10
81,792	83,853	2,061	l	Tax Administration and Miscellaneous Taxes Act	83,853	79,900	3,953	11
190,627	189,633	(994)	m	Tobacco Tax	189,633	170,000	19,633	12
3,442	3,483	41	n	Environmental Protection Tax	3,483	3,200	283	
5,283,443	5,520,989	237,546		Subtotal	5,520,989	5,263,672	257,317	
				OTHER REVENUE				
1,094	1,142	48	a	Automobile Injury Appeals Commission Cost Recovery	1,142	1,219	(77)	
565	982	417	b	Claimant Adviser Office Cost Recovery	982	1,255	(273)	13
1,787	1,893	106	c	Consumer Affairs Fees	1,893	2,297	(404)	14
1,044	1,097	53	d	Insurance Act Fees and Cost Recovery	1,097	987	110	
5,484	18,627	13,143	e	Recovery of Prior Years' Expenditures	18,627	3,000	15,627	15
272	251	(21)	f	Trust and Loan Fees	251	245	6	
1,277	4,263	2,986	g	Sundry	4,263	706	3,557	16
11,523	28,255	16,732		Subtotal	28,255	9,709	18,546	
				GOVERNMENT OF CANADA				
1,825,796	2,063,394	237,598	a	Equalization	2,063,394	2,063,400	(6)	17
816,684	875,409	58,725	b	Canada Health Transfer (CHT)	875,409	845,800	29,609	18
347,463	387,531	40,068	c	Canada Social Transfer (CST)	387,531	378,000	9,531	19
41,880	0	(41,880)	d	Community Development Trust	0	0	0	
0	14,400	14,400	e	Police Officers Recruitment Fund	14,400	14,400	0	
0	17,912	17,912	f	Public Transit Capital Trust	17,912	17,900	12	
2,284	2,298	14	g	Government of Canada Subsidy	2,298	2,200	98	
3,034,107	3,360,944	326,837		Subtotal	3,360,944	3,321,700	39,244	
8,329,073	8,910,188	581,115		Total	8,910,188	8,595,081	315,107	

Manitoba Finance

Revenue Variance Explanations
for the fiscal year ended March 31, 2009

EXPLANATION NUMBER:

1. **Individual Income Tax:** $170,448 over 2007/2008 Actual
$143,017 over 2008/2009 Estimate

Under the provisions of the Tax Collection Agreement between the Governments of Canada and Manitoba, based on estimates, Finance Canada makes advance payments for the tax years falling within the fiscal year. At the end of each year, adjustments to prior years are made based on actual tax returns assessed by Revenue Canada.

Increase from both the 2007/2008 actual and 2008/2009 estimate are due to an increase in in-year entitlements, which was due to an increase in national taxable income, as well as an increase in the prior year's adjustment provided by Finance Canada in the 2007 Final Determination of Payments.

2. **Corporation Income Tax:** $19,313 over 2007/2008 Actual
$86,931 over 2008/2009 Estimate

Under the provisions of the Tax Collection Agreement between the Governments of Canada and Manitoba, based on estimates, Finance Canada makes advance payments for the tax years falling within the fiscal year. At the end of each year, adjustments to prior years are made based on actual tax returns assessed by Revenue Canada.

Increase from both the 2007/2008 actual and 2008/2009 estimate are due to an increase the prior year's adjustment provided by Finance Canada in the 2007 Final Determination of Payments.

3. **Corporation Capital Tax:** $2,037 over 2007/2008 Actual
$44,616 over 2008/2009 Estimate

Increases due to higher taxable capital reported by corporations. The increase over 2007/2008 is partially offset by the elimination of Capital Tax for manufacturing corporations effective July 1, 2008 and the rate reductions effective January 1, 2008 and January 1, 2009.

4. **Gasoline Tax:** $16,409 under 2007/2008 Actual
$937 under 2008/2009 Estimate

Decreases due to impact of ethanol mandate effective January 1, 2008 and reduced consumption when gasoline prices were high.

Revenue Variance Explanations
for the fiscal year ended March 31, 2009

EXPLANATION NUMBER:

5. **Insurance Corporation Tax:** $2,449 over 2007/2008 Actual
$4,182 over 2008/2009 Estimate

Premium levels on policies written in the province exceed estimates.

6. **Land Transfer Tax:** $4,788 over 2007/2008 Actual
$5,919 over 2008/2009 Estimate

Increase is due to continued strong real estate market resulting in more properties selling in the higher tax range.

7. **Levy for Health and Education:** $16,118 over 2007/2008 Actual
$13,101 over 2008/2009 Estimate

Increase is due to employment growth and wage settlements.

8. **Mining Tax:** $53,710 under 2007/2008 Actual
$82,073 under 2008/2009 Estimate

Decreases due to reduction in world base metal prices that significantly reduced mining profits/tax.

9. **Motive Fuel Tax:** $3,005 under 2007/2008 Actual
$2,616 over 2008/2009 Estimate

Decrease under 2007/2008 is due to timing of processing of refunds and increase over 2008/2009 estimate is due to strength in the construction sector.

10. **Retail Sales Tax:** $94,409 over 2007/2008 Actual
$16,081 over 2008/2009 Estimate

Increase is due to continued strength in the construction sector, an increase in capital purchases and higher than expected economic growth.

Revenue Variance Explanations
for the fiscal year ended March 31, 2009

EXPLANATION NUMBER:

11. **Tax Administration and Miscellaneous Taxes Act:** $2,061 over 2007/2008 Actual
$3,953 over 2008/2009 Estimate

Increases due to increased electricity rates and increased consumption due to lower than normal temperatures.

12. **Tobacco Tax:** $994 under 2007/2008 Actual
$19,633 over 2008/2009 Estimate

Decrease from 2007/2008 actual is due to the timing difference in the receipt of payments from tobacco wholesalers.

Increase over 2008/2009 estimate is due to reduced smuggling resulting from directed enforcement program.

13. **Claimant Adviser Office Cost Recovery:** $417 over 2007/2008 Actual
$273 under 2008/2009 Estimate

Increase is due to recovery of costs related to additional staffing and activity in 2007/2008.

Decrease from estimate is due to reduced recovery from MPI due to delay in filling vacant positions.

14. **Consumer Affairs Fees:** $404 under 2008/2009 Estimate

Decrease from 2008/2009 estimate is due to delay in implementation of the Pay Day Loan legislation and lower than anticipated uptake in Residential Tenancies Branch Unit Rehabilitation program.

15. **Recovery of Prior Years' Expenditures:** $13,143 over 2007/2008 Actual
$15,627 over 2008/2009 Estimate

Increase is due to adjustments for prior year accruals, the redeposit of stale dated cheques as well as adjustments for other accruals and miscellaneous refunds.

16. **Sundry:** $2,986 over 2007/2008 Actual
$3,557 over 2008/2009 Estimate

Increase is essentially due to an out of court settlement with tobacco companies related to Tobacco Tax Settlement and interest earned on Real Estate Trust Accounts held by the Manitoba Securities Commission.

Revenue Variance Explanations
for the fiscal year ended March 31, 2009

EXPLANATION NUMBER:

17. **Equalization:** $237,598 over 2007/2008 Actual

Increase reflects the change in equalization entitlement calculations under the Expert Panel (O'Brien) Methodology adopted in the 2007 federal budget. Per capita fiscal capacity in Manitoba decreased relative to the ten-province standard and resulted in increased Equalization entitlements for 2008/2009.

18. **Canada Health Transfer (CHT):** $58,725 over 2007/2008 Actual
$29,609 over 2008/2009 Estimate

Increase from 2007/2008 actual reflects Manitoba's share of increased CHT cash as provided under the 10-Year Plan to Strengthen Health care as agreed at the October 2004 First Ministers' Meeting.

Increase from 2008/2009 estimate is due to positive adjustments to prior year entitlements and positive in-year adjustments related to 2006 census population adjustments and adjustments to the value of tax point transfers.

19. **Canada Social Transfer (CST):** $40,068 over 2007/2008 Actual
$9,531 over 2008/2009 Estimate

The CST provides support to provinces and territories for social services, child care programming and post-secondary education. The 2007 federal budget moved the program to equal per capita cash allocation methodology. Increase from 2007/2008 actual is the result of higher scheduled federal funding in 2008/2009.

Increase from 2008/2009 estimate is due to positive adjustments to prior year entitlements and positive in-year adjustments related to 2006 census population adjustments and adjustments to the value of tax point transfers.

Manitoba Finance

Five-Year Operating Expenditure and Staffing Summary by Main Appropriation

for the fiscal years ended March 31, 2005 to March 31, 2009 *

Main Appropriation		2004/2005		2005/2006		2006/2007		2007/2008		2008/2009	
		FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s	FTEs	$000s
Finance:											
07- 1	Administration and Finance	29.25	2,614	31.25	2,643	32.25	2,561	33.25	3,123	33.25	3,453
07- 2	Treasury	25.00	1,599	25.00	1,623	25.00	1,741	25.00	1,822	25.00	1,698
07- 3	Comptroller	68.50	4,856	70.50	4,952	73.50	5,241	77.00	5,368	77.00	5,742
07- 4	Taxation	193.50	14,501	191.50	15,835	193.50	14,642	196.50	17,414	196.50	16,988
07- 5	Federal-Provincial Relations and Research	32.25	3,297	32.25	3,929	33.25	3,822	33.25	4,076	33.25	4,366
07- 6	Insurance and Risk Management	5.20	365	5.20	394	5.20	405	5.20	418	5.20	437
07- 7	Treasury Board Secretariat	75.00	6,096	73.00	6,404	76.00	6,533	76.00	6,915	78.00	7,607
07- 8	Consumer and Corporate Affairs	114.78	7,952	117.28	8,479	115.28	9,274	124.78	9,783	124.78	10,373
07- 9	Costs Related to Capital Assets		4,171		4,050		4,127		4,251		3,934
Total Departmental Operating Appropriations		543.48	45,451	545.98	48,309	553.98	48,346	570.98	53,170	572.98	54,598
07-10	Net Tax Credit Payments		51,089		50,656		47,961		44,397		41,335
07-11	Public Debt (Statutory)		240,542		259,797		260,239		251,033		224,426
Total Appropriations		543.48	337,082	545.98	358,762	553.98	356,546	570.98	348,600	572.98	320,359

* Actual expenditures have been adjusted for comparative purposes. Adjustments are for: i) the transfers in 2004/2005 of Legislative Building Information Systems and Enterprise System Management and related Costs Related to Capital Assets to Science, Technology, Energy and Mines; ii) the transfer in 2006/2007 of positions from the Comptroller's Division and Consumer and Corporate Affairs to Science, Technology, Energy and Mines due to ICT restructuring and the transfer of the Public Utilities Board to Intergovernmental Affairs; and iii) the transfer in 2008/2009 of Federal-Provincial Relations from Competitiveness, Training and Trade.

PERFORMANCE REPORTING

The following section provides information on key performance measures for the department for the 2008/2009 reporting year. This is the fourth year in which all Government of Manitoba departments have included a Performance Measurement section, in a standardized format, in their Annual Reports.

Performance indicators in departmental Annual Reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit www.manitoba.ca/performance.

Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2008/2009 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
Collection rate of statutory taxation revenues (excluding personal and corporate income taxes) owing to the province by comparing revenue amounts collected to amounts owing.	The effectiveness of these activities is directly related to the protection of provincial revenues in the face of technological change in the marketplace and increasingly aggressive tax planning by business and tax professionals.	99.8% of amounts owing to the province were collected in 2005/2006.	99.9% of amounts owing to the province were collected in 2008/2009.	The department strives to continually enhance collection enforcement legislation and processes which should result in the write off percentage remaining relatively consistent at this level over time.	
The effective management of public debt by measuring the net cost of servicing the general government program borrowings as a percentage of provincial revenue.	To provide a measure of the efficiency of the public debt management program as well as an indicator whether the province has more to spend on operations as opposed to debt servicing costs.	The province's net cost of servicing the general government program borrowings as a percent of provincial revenue as at March 31, 2004 is 4.2%.	The province's net cost of servicing the general government program borrowings as a percent of provincial revenue as at March 31, 2009 is 2.4%[1].	Decreasing. Manitoba continues to effectively manage and realize its long-term goals to reduce its debt and debt servicing costs to provincial revenue ratio.	Active monitoring of global financial markets and prudent financial risk management strategies are pursued on an ongoing basis to manage volatility and costs.

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2008/2009 result or most recent available data?	What is the trend over time?	Comments/recent actions/report links
The province's ability to borrow at a cost-effective rate by examining the credit rating for the province.	This measure is a key independent, third-party assessment of the province's credit-worthiness and is an important consideration for investors in Manitoba government bonds and other securities.	Ratings as at March 31, 2002 are: • Aa3 (Stable) Moody's Investors Service • AA- (Stable) Standard & Poor's • A (Stable) Dominion Bond Rating Service	Ratings as at March 31, 2009 are: • Aa1 (Stable) Moody's Investors Service • AA (Stable) Standard & Poor's • A (High) (Stable) Dominion Bond Rating Service	Manitoba continues to maintain its reputation for fiscal responsibility. This performance has been reflected by means of six credit rating improvements since 2002.	Credit rating agencies acknowledge that the current economic environment will impact net debt to GDP ratios of provinces. They say this is not expected to affect credit ratings in the next two to three years.
Client perceived fairness and effectiveness with decisions of the Residential Tenancies Branch as measured by the rate of appeals of decisions under *The Residential Tenancies Act*.	To ensure that the branch's hearing processes and decisions continue to be fair and effective.	3,198 orders were issued under Parts 1 – 8 of *The Residential Tenancies Act* (landlord and tenant disputes) in 2005/2006 of which 568 (17.8%) were appealed. Orders were issued for 469 cases under Part 9 of the Act (rent regulation matters) in 2005/2006 of which 98 (20.9%) were appealed.	3,508 orders were issued under Parts 1 – 8 of *The Residential Tenancies Act* (landlord and tenant disputes) in 2008/2009 of which 675 (19.2%) were appealed. Orders were issued for 541 cases under Part 9 of the Act (rent regulation matters) in 2008/2009 of which 99 (18.3%) were appealed.	The appeal rates for both Parts 1 – 8 and Part 9 matters are historically consistent with previous years.	

1. *Due to the transition to Summary Budgeting, this performance indicator will be retired in 2009/10 as it is no longer an effective measure of the efficiency of public debt management. A new measure that is consistent with Summary Budgeting will be introduced.*

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counselling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in a department's annual report in accordance with Section 18 of the Act.

The following is a summary of disclosures received by Manitoba Finance and the Companies Office, The Property Registry and the Vital Statistics Agency for fiscal year 2008/2009:

Information Required Annually **(per Section 18 of The Act)**	**Fiscal Year 2008/2009**
The number of disclosures received, and the number acted on and not acted on. *Subsection 18(2)(a)*	**NIL**
The number of investigations commenced as a result of a disclosure. *Subsection 18(2)(b)*	**NIL**
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. *Subsection 18(2)(c)*	**NIL**